

International Bank Note Society Journal



Habib Lotfallah and the
Arabian National Bank of Hedjaz... page 6

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I.B.N.S. Journal

Volume 44, No. 3, 2005

Editor, Steve Feller

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President's Message

Dear Members,

It will be a surprise to many of you that I am writing this message as President of the I.B.N.S.. However, changes have been effected by the I.B.N.S.



Board of Directors that have resulted in my appointment as President. (Details of the changes can be found in the edition of Inside I.B.N.S. that accompanies this Journal.)

As a member of the I.B.N.S. for twenty years, I am honored to be at the helm of the I.B.N.S. and I look forward to healthy interaction with the entire membership.

I intend to work for the remainder of this presidential term to deliver the basic membership benefits of the Society in a timely manner. Our membership benefits are the most important element of our Society and it is important that these are delivered to everyone's satisfaction.

However, as I review the position of the I.B.N.S., I find that our society is not in the healthiest position. We continue to suffer financially, due to fees being kept too low for too long, and some of our administrative practices have not always benefited the society.

Notwithstanding certain negative aspects of the Society's health, there is much optimism that we can continue to tap and I am certain that shortly we will regain our past strength. I ask that all members bear with the stabilizing process that is now underway. You will find that in a very short time all membership benefits will be delivered as expected and I anticipate that financial stability is not far away. I will work towards a brighter future and I ask that you accompany me on the short journey.

Finally, I wish to encourage members, who have the time and interest, to nominate for positions on the I.B.N.S. Board of Directors. Nominations are now being called for and must be received by the Nominating Committee by the end of this year. It's your society, help to secure its future.

Peter Symes
President, I.B.N.S..

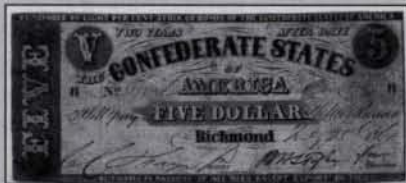
Editor's Column



I just bought a note long on my want list. It is the \$5 Confederate States of America printed by J. Manouvrier in 1861. He was a small printer in

New Orleans who filled in after the Confederates gave up on the Southern Bank Note Company which was really a branch of the American Bank Note Company. In fact this fictitious company was set up after the first Confederate notes had been printed in New York (the "Montgomery notes") but that source was lost after war broke out in April 1861. I am most interested in notes with stories. My note was a part of a small issue of a very plain currency—the only ones made by this printer that circulated. But Manouvrier actually printed two denominations: \$5 and \$10. However the packaging "broke" on the train to Richmond and the tens were stolen leaving not a single one in collector's hands. We don't even know what they were to look like. Of course they may still exist in an old attic in Virginia. My note is not very pretty. It has two large cancellations crudely repaired and grades VG at best. Also, it cost too much but to this collector this was a most satisfying find.

Steve Feller
Editor



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Letters to the Editor

Dear Editor,

From the newest fun regional notes in Lithuania are a set of: 1+2+3+4+5+7+10+13+20 Zhemaihiu J&R Litu-2005.

These notes are used in the Lithuania region — Zhemaitija on the Baltic Sea coast.

All these notes are printed on watermarked paper, have security hairs and foil thread, are numbered and then can be controlled with a money detector.

They are exchanged one to one with Lithuania Litas and a full set (80 Zhemaichus litu) face value is about 24.-Eur or 30.-USD.

Best wishes,

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the newest fun regional notes in Lithuania.
Set of: 1+2+3+4+5+7+ 10+13+20 Zhemaihiu J&R Litu-2005.



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Habib Lotfallah and the Arabian National Bank of Hedjaz

by Peter Symes #4245

The Mystery

The bank notes of the Hedjaz¹ first came to the notice of the international collecting community in 1954 when four notes were offered for sale in the auction of King Farouk's numismatic collection. These notes were included in a 350-piece lot of paper money that sold for about US \$160.00. While this brief mention of the notes was probably overlooked by many people at the time, the notes prepared for the Arabian National Bank of Hedjaz soon became an enigma amongst collectors.

The notes are an enigma for a number of reasons. Firstly, the notes were never issued, with only unissued and specimen notes being known. Secondly, there had been nothing reported of the issuing authority, which appeared never to have existed. Finally, the illustrations on the bank notes include decorations and illustrations of scenes that are not in, or of, the Hedjaz. Why would someone prepare notes for issue in the Hedjaz and then place scenes from Lebanon, Syria, and Iraq on the notes?

The mystery surrounding these notes has in part been due to their infrequent appearance on the collector market. One of the few recorded sales of a note was during the 1980s when the American dealer Ted Uhl sold a 100-pound note without serial numbers. During the 1990s copies of unissued notes were offered for sale in the United States of America. The set consisted of the five denominations of 1, 5, 10, 50 and 100 pounds.

Like so many enigmas, once the truth is told about these notes, all becomes so clear that it can only be

wondered why the reason for the existence of these notes has remained obfuscated for so long. As it transpires, the story of the bank notes revolves around the ambitions of one man and once his story has been told the history of the notes will be revealed. The gentleman responsible for establishing 'The Arabian National Bank of Hedjaz' and for preparing its bank notes was H. Habib Lotfallah, and his signature is apparent on the bank notes prepared for the bank. The bank notes were his, the issuing authority was his, and this is his story.

Habib Lotfallah

The Lotfallah family were Syrians of the Greek Orthodox Church and the modern history of the family begins with Habib Lotfallah, who was born in Beirut on 5 May 1826. Habib Lotfallah, who is not the hero of this story, was nevertheless a most remarkable man and he lay the foundation for this story. Educated in Beirut he travelled to Egypt in 1852 to make his way in life. Backed by substantial capital, he and his brother Mikhail commenced commercial enterprises that steadily grew until they encompassed interests in Egypt, Sudan and India. Their enterprises in Sudan became considerable and their wealth steadily increased. However, Mikhail Lotfallah died and Habib Lotfallah decided to forgo the commercial world and turned instead to agriculture.

Purchasing substantial land holdings in the Nile valley, he developed them so that their productivity increased and over time he acquired more land, which ultimately made him one of the greatest

landowners in the Nile valley. By 1905, when he retired from business, he was one of the wealthiest men in Egypt. Not only was he wealthy, but he had won the respect of the government, which made him a 'Pasha,' and he had become renowned for his beneficence and charitable deeds.

Habib Lotfallah Pasha had three sons: Michel, Habib and George. In 1905, after their father's retirement, the three sons took over the family business, but their father remained the head of the family and he continued to be active in many fields. In 1920 Habib Lotfallah Pasha was created an Amir by King Hussein of the Hedjaz. The award of the title 'Amir' to Habib Lotfallah Pasha was due to a number of factors, but importantly it demonstrated a link between the Lotfallah family and the Hashimite King of the Hedjaz and his family. When the Hedjaz was freed from the suzerainty of the Ottoman Empire after the Great War, King Hussein found himself an independent monarch (albeit under the protection of the British). Hussein decided to introduce his own orders and decorations and to suppress the Ottoman titles—such as 'Effendi,' 'Bey' and 'Pasha.' Two of the orders he created were the 'Nahda' (awakening) and the 'Istklal' (independence). The honorary title that he chose to ennoble the most distinguished recipients of his awards was 'Amir.' Hussein was reasonably generous with his honors and awards, presenting orders and decorations to a number of Syrian, Egyptian, Italian and British recipients.

In the official gazette of Mecca, published on 16 Ramadan 1338 (3

June 1920), the following grant was announced:

'The title of Amir is granted to El-Sayed Habib Lotfallah. Here is a copy of the pertinent Royal Edict:

'In view of the antiquity of the Lotfallah family and in view that We know of the consideration that he enjoys among his fellow countrymen, grant the title Amir to El-Sayed Habib Lotfallah, which is transferable to his progeny from father to son until it pleases God.'

The title was recognition for the support that Habib Lotfallah Pasha had given to charitable projects; of the support the family had given to Syrian nationalist and independence movements; for the hospitality that the family had shown to Abdullah, the son of Hussein, on a visit to Egypt; and because of the distinguished character of the recipient.

Habib Lotfallah Pasha died on 28 December 1920 at the age of ninety four. At his funeral the King of the Hedjaz was represented by Nuri al-Said, who later became Prime Minister of Iraq. Following Habib Lotfallah's death, the estate of the family was managed by his three sons. Of the three sons, it is the fortunes of his second son, H. Habib Lotfallah², which are of singular interest to this history.

H. Habib Lotfallah was born in Cairo in 1882. After completing some schooling in Egypt, he went to France for three years to complete his studies; after which he visited various European cities before returning to Cairo. He attended the Military Academy and in 1907 he was commissioned as a sub-lieutenant in the cavalry of the Egyptian Army³. However, he was not

satisfied with a military life and in 1908 Habib Lotfallah sought a career as a diplomat in the Ottoman Empire. In pursuing this aim, he visited the Balkan states before continuing to Austria, Germany, Italy, France and Spain. In 1911 he was appointed Treasurer to the authority that supervised the injured of Beirut following attacks on that city during the Italo-Turkish war. In 1912 Habib Lotfallah was appointed an inspector of the Red Crescent so that he might investigate matters relating to the injured during the war that took place in the Balkans in that year. In 1913 he was appointed Attaché to the Embassy of Turkey in London when Tewfik Pasha was the Turkish Ambassador. However, he did not take up the appointment due to the war in the Balkans and he remained in Constantinople, working in the Foreign Office. The following year he became Attaché to the Grand Vizier Prince Saïd Halim in Constantinople and later he became deputy envoy to the Wali⁴ of Beirut, Békir Samy Bey.

Some time after the outbreak of the Great War, when Habib Lotfallah returned to Cairo, he was advised by the British General Sir John Maxwell that it would be sensible to go quietly to neutral Spain and stay there until the war was over. Ostensibly Habib Lotfallah was still a diplomat in the employment of the Ottoman Empire, but it seems that by 1916 he had resolved that the days of the Ottoman Empire were over. Consequently, H. Habib Lotfallah spent the duration of the war in Madrid, where he associated with a number of notables who were similarly seeking to wait out the war. Once the Great War had ended,

Habib Lotfallah returned to diplomatic duties. The Party of Syrian Union, in which his brother Michel was active, asked him to become its representative in Paris and London.

So successful was the work of H. Habib Lotfallah perceived to be, in representing the Party of Syrian Union, that, on his return to Cairo, he was asked by King Hussein of the Hedjaz to work for his family. In 1920 he was appointed adviser to Amir Faisal, a son of the King, and in the following year he was nominated as the head of mission and envoy for King Hussein to Paris and London. On 27 December 1920 (27 Safar 1339), Habib Lotfallah was awarded the Order of the Nahda for his services, loyalty and devotion to the King. In 1922 he became the foreign affairs adviser to the Kingdom of Arabia and then Chief aide-de-camp to King Hussein, with the rank of General. In 1923 he became Minister Plenipotentiary for the Hedjaz and Envoy Extraordinary to the King of Italy in Rome. The following year, in 1924, Habib Lotfallah led the Hedjazi mission to the League of the Nations in Geneva and was also appointed Minister to Moscow and Rome.

From the activities of Habib Lotfallah, from 1912 to 1924, it can be seen that he spent much of his time in Europe and he increasingly became a confidant of King Hussein. Because his father had been given the title of 'Amir,' Habib Lotfallah used the title 'Prince' when moving amongst the diplomatic and social circles of Europe. The use of the title was perhaps not quite correct, but in Europe where princes were common, it appears to have been accepted without question.

King Hussein and the Hedjaz

The story of King Hussein is important to this story for a number of reasons. Firstly, his ideal of an Arab nation was shared by many people, including Habib Lotfallah. The divisions wrought on the Arab people by the colonial powers after the Great War were considered by many to have destroyed an opportunity to unite the Arabs under one nation or in a confederation. Secondly, it was under the administration of King Hussein's son that the Arabian National Bank of the Hedjaz was formed. Thirdly, it is because of the actions of King Hussein that the notes of the Bank were never released into circulation. Finally, for a number of years Habib Lotfallah had linked his fortunes to the Hashimite dynasty and it is therefore worth noting a few details of the history of King Hussein and the Hedjaz.

When the Ottoman Empire held the Hedjaz, they ruled it in a similar manner to their other vilayets (provinces). There was however a significant difference. Unlike other vilayets, the Hedjaz had a temporal leader in the form of the Ottoman Vali, who was usually stationed at Medina, and the spiritual leader of Mecca, who was the Sharif. However, the lines between the spiritual and temporal powers of the Sharif of Mecca were often blurred and the Sharif occasionally sought more temporal control than he was allowed.

The Sharifs of Mecca were descendants of Hashim ibn 'Abd Manaf, the grandfather of the Prophet Mohammed (peace be upon him), whose daughter Fatima had two sons, Hussein and Hasan. Descendants of the two clans competed for control of areas in the Hedjaz but, from 968 until 1925, Mecca was controlled by the Hasan clan, with competition within the clan for the positions of Amir and Sharif⁵ (or Grand Sharif) of Mecca. During the rule of the Ottomans,

selection of the Sharif of Mecca was controlled through the central administration in Constantinople. Although his grandfather and uncle had been Sharifs of Mecca, there was no certainty that Hussein would attain the position. However, circumstances and successful intrigues at the court in Constantinople saw Hussein appointed as Sharif in November 1908. Hussein was an ambitious if ineffective ruler. From the time he became Sharif, he conspired to gain powers from the Ottoman Vali; he moved to wrest control of Asir (to the south of the Hedjaz) from the Idrisi; and he sought to expand his influence into the Nejd, which was controlled by 'Abd al-Aziz ibn Sa'ud.

The aspirations of Sharif Hussein were tempered by many factors until the outbreak of World War I. It was then that the British sought to encourage Hussein to raise the tribes under his control against the Ottomans. This resulted in the Arab Revolt which has been immortalized in the activities of Colonel T. E. Lawrence—Lawrence of Arabia. However, the Arab Revolt was a success because of Hussein's sons, particularly Faisal, rather than any participation by Hussein. Indeed, Hussein's ineptitude and narrow focus on his own ambitions often put the Revolt in jeopardy.

The British were responsible for financing the Revolt and poured gold into Hussein's coffers so that he could buy the allegiance of Arab tribesmen. This money replaced the subsidies that had previously been supplied by the Ottomans, who had supported the Sharif of Mecca because of the unique position Mecca held in the religion of Islam. In dealing with the British, Hussein sought to confirm his own ambitions, which were to unite the Arab world under his control, once the Ottomans had been defeated. To many Arabs, there was a nationalist ideal that all Arabs, from Aden to Gaza to northern Mesopotamia,

should unite as a single nation—an Arab nation. Hussein nurtured an ambition that he should rule over such a nation or, as he perceived it, a kingdom. To this end he proclaimed himself King in 1917, but not just 'King of the Hedjaz' as most observers might have expected, rather he announced his grand intentions by adopting the title of 'King of the Arab Countries.' He attempted to gain British support for his claim to this title but the British were extremely reluctant to support his ambitions because they were supporting many other Arab leaders and they did not wish to push the claims of one leader against another. Hussein's claim necessarily caused concern amongst states in the Arabian Peninsula, such as the Nejd, Asir, Jebel Shammar, Kuwait, Oman, and Yemen, as they feared an expansionist policy of King Hussein.⁶ Hussein did harbor dreams of expanding his influence over Asir and into the Nejd and he probably dreamed of greater ambitions. Perhaps his ambition in 1917 had some substance, as his son Faisal, after an abortive attempt to make him the King of Syria, was appointed King of Iraq in 1921 under the British mandate and another son, Abdullah, was recognized as Amir of Transjordan by the British in 1923. Therefore, the possibility of uniting all Arab countries under one family was not altogether out of the question. However, in 1917 Hussein chose not to revoke his self-proclaimed title of 'King of the Arab Countries,' which was ultimately ignored by friend and enemy alike, although it was given filial support by the future leaders of Transjordan and Iraq.

There was yet another title that Hussein coveted, the title of Caliph. The Caliph was recognized by many Muslims as the temporal and spiritual leader of the Muslim community and for many years the title had been claimed by the Ottoman Sultans. Hussein believed that the title should belong to him,

as the Sharif of Mecca, and as the Great War proceeded he eyed the prize with barely concealed ambition. However, although Hussein and his supporters intrigued for recognition of this ambition, the British only ever recognized him as King of the Hedjaz. Some years after the War, in 1924, Kemal Atatürk abolished the Ottoman Caliphate and, shortly after this announcement, Hussein declared himself the Caliph—although his claim was far from universally recognized.

Habib Lotfallah's representation of the King of the Hedjaz at the meeting of the League of Nations in Geneva in 1924 is another significant event in the ambitions of King Hussein. It was Hussein's desire to be seen as the only real power in Arabia and, as the Hedjaz had been one of the twenty-seven 'Allied and Associated Powers' listed in the Treaty of Versailles as having concluded the war⁷, attendance at the conference in 1924 aided his bid for legitimacy. Such a move was contrary to the previous conferences of the League of Nations, which were boycotted by Hussein because the European powers had not given the Arabs the independence they craved. However, by 1924 the tide was turning against King Hussein and it was more important that he be represented amongst the European powers, than protest against their encroachment on Arab ambitions.

In the years following the Great War, the British tired of King Hussein's truculent ways and did not support him against his opponent 'Abd al-Aziz ibn Sa'ud, who was becoming stronger as the months passed. Britain had been a strong supporter of ibn Sa'ud while he was in control of the Nejd and, now that ibn Sa'ud was pushing his way into the Hedjaz, they chose to withdraw support from King Hussein and let him fight his own battles. However, not only had Hussein alienated the British, he had also lost the confidence of the notables and merchants of Mecca.

Under threat from an advancing ibn Sa'ud, Hussein first withdrew to Jeddah and then, on 6 October 1924, under pressure from ibn Sa'ud and demands from his own people, Hussein was forced to abdicate in favor of his son 'Ali. Mecca fell to ibn Sa'ud on 18 October and 'Ali became isolated in Jeddah. In as much a move of diplomacy as of strategy, ibn Sa'ud did not press his advantage over 'Ali and he remained distant from Jeddah.

In October 1924 Habib Lotfallah was in Moscow as a guest of the government of the Soviet Union. His mission to Moscow was to establish regular economic and political relations between the Hedjaz and the Soviet Union. While he was in Moscow news of King Hussein's abdication became known. For several days Habib Lotfallah refused to admit that the event had occurred, but ultimately he substantiated the facts and was able to confirm that his credentials as Minister Plenipotentiary were valid under King 'Ali.

The numerous positions held by Habib Lotfallah from 1920 to 1924 and the missions he accomplished in serving his King in Europe appear to have left little time for him to attend the Hedjaz or to appreciate fully the circumstances as they were developing in the Arabian Peninsula. Whether, following the abdication of King Hussein, Habib Lotfallah fully understood the critical position in which King 'Ali found himself, it is difficult to say. With three Hashimite kings in Arabia—'Ali in the Hedjaz, Abdullah in Transjordan, and Faisal in Iraq—it may have seemed strange to Habib Lotfallah that any one of the Kingdoms was under threat. However, having fixed his allegiances and fortunes to the Kings of the Hedjaz, he stuck by their resolve to survive.

The Bank Notes

Returning to the Hedjaz in 1925, Habib Lotfallah decided to pursue his Arab nationalist ambition of establishing a bank that would issue

money throughout the Arab countries and his first target was the Hedjaz. There was no uniform currency in the Hedjaz and inept attempts at introducing a national coinage by King Hussein had not improved the situation. As one who had spent much of his adult life in Europe, Habib Lotfallah had come into daily contact with paper money and he would have understood the utility of such instruments. He should also have recognized that the lack of a modern currency in the Hedjaz was detrimental to the development of the economy, although he might also have realized that the introduction paper money was no panacea for the economic ills of the Hedjaz. However, before addressing the bank notes prepared by Habib Lotfallah, it is worth considering the currency circulating in the Hedjaz prior to his initiative.

Under the Ottomans, currency of the Empire circulated in the Hedjaz but, while coins are known to have circulated widely, it is not known to what extent the bank notes issued in Constantinople circulated in Arabia. Certainly the notes circulated, but the Arabs believed in currency that had intrinsic value and not paper that was backed by reserves and promises. For this reason, the Arabs preferred full-bodied coins of gold and silver; although Ottoman notes probably found favor amongst the merchants, traders and government officials. In coastal ports merchants and traders had come into contact with foreign currency, as had the many residents involved in supporting pilgrims with food, accommodation and guides during the annual Hajj to Mecca. This exposure to foreign currency included bank notes and, by the reign of King Hussein, Indian rupees and Egyptian pounds were in common use by merchants, traders and pilgrims.

However, the subsidy that Hussein had received from the Ottomans, as the Sharif of Mecca, was in gold and he needed this gold

to dispense to tribal chieftains, as was his responsibility. When the British proposed that he forgo the Ottomans and rise against them in revolt, Hussein demanded that he be paid in gold by the British so that he could pay the tribes, just as he had done under the Ottomans. The British, locked in a war against the Ottoman Empire, agreed.

Although the British had secured the interests of King Hussein, they faced competition from their allies the French. The French were seeking to stake claims in the Arab world and they lost no opportunity to promote their own interests in the Hedjaz. In February 1917 the head of the French mission to the Hedjaz, Colonel Brémond, proposed to King Hussein that the French might mint coins for the Hedjaz, with the coins to be in a metric system, rather than based on the English pound. This proposal was rejected by Hussein, who preferred to follow the traditional use of full-bodied coins.

However, by June 1917 the British had paid out so much gold to Hussein from the Egyptian treasury, that they asked Hussein if he might take payment in silver and paper money in the form of Egyptian pounds and Indian rupees. In reply to the suggestion, an official in King Hussein's government wrote: 'Paper money will assuredly cause bad effect, make people attribute to us worse things than they attribute to Turks and our enemies will thus find a way of saying all sorts of thing against us.'⁸ The tribesmen wanted only gold and their preference was for British sovereigns. In October 1917 the British pursued the issue of paper money, due to the dwindling reserves of available gold, and insisted that Hussein take part payment of his subsidy in Indian rupee notes. They argued that he could sell the rupees to the merchants for gold, as they needed rupees with which to trade. The British even offered to provide the rupees at a rate advantageous to Hussein so that he might make a

profit in selling the notes to the merchants.

By September 1919 the availability of gold and silver had deteriorated to such an extent that the British were forced to provide the complete subsidy in Indian rupees. Although Hussein initially balked at this proposal, he turned the problem around so that, in January 1920, Hussein imposed the Indian rupee as the only legal tender in the Hedjaz. The merchants in Jeddah were not pleased with the rate of exchange that Hussein set between the rupee to the pound but, after some negotiation, an agreement was made and a rate set. Hussein then demanded that the merchants write to the British, stating that they agree to trade only in rupees—both in notes and silver. Although the Indian rupee had been declared the official currency, gold remained the measure of all currencies and pilgrims coming to Mecca were instructed to bring gold and silver as the medium of payment.

As time passed Hussein was convinced of the need to introduce his own currency. He began by overstriking Maria Theresa thalers with *al-Hedjaz* but in September 1923 he introduced his own coins. These coins ranged in value from one-eighth to one piastre, minted in bronze, 5-, 10- and 20-piastre coins, minted in silver, and a one-dinar coin minted in gold. These coins were intended to replace the Turkish coins, which were still the dominant coins in circulation. (Many of the Turkish coins had been counter-stamped with 'Hedjaz.') However, the gold and silver content of Hussein's high value coins was questionable and insufficient coins had been minted. Therefore, after a short period most of the coins disappeared from circulation.

By the time Hussein abdicated in favor of 'Ali, in October 1924, the situation had not improved and the Hedjaz remained burdened with multiple currencies in circulation. It was into this confusion of currencies

that Habib Lotfallah arrived in 1925 with his proposal to establish a bank of issue. By the time he submitted his proposal to 'Ali there was sufficient expectation that paper money could be used with some success in the Hedjaz, due to the earlier circulation of Ottoman paper money and the later use of Egyptian and Indian bank notes. Lotfallah convinced King 'Ali and his advisers that he could establish a bank that would operate from Jeddah and benefit the kingdom. On 22 Shawwal 1343 (6 May 1925) 'Ali and his advisors considered Lotfallah's proposal and on the following day signed the decree that gave Lotfallah his right to operate a bank in the Hedjaz. The decree is as follows:

Royal Edict

We Ali-ibn Hussein, King of Hedjaz.

Having studied the report of Prince Habib Lotfallah, submitted to us on 22 Shawwal 1343, with a view to the constitution of the National Bank of Hedjaz and Arabia and,

On the proposal of Our Prime Minister and the Minister of Finance.

Decree

First Article

Prince Habib Lotfallah has the right of constituting a National Bank of Hedjaz without any responsibility falling to the Arabian Government, and of constituting an Arabian company under the name: The National Bank of Hedjaz and Arabia

Article 2

The National Bank of Hedjaz and Arabia will have the privilege of issuing notes to the bearer or on sight; the said privilege will not be granted to any other establishment during the existence of the Company.

Article 3

Our Prime Minister and the Minister of Finance are charged with the implementation of this Decree:

Made the 23 Shawwal 1343

Ali-ibn-Hussein

The Royal Edict was followed by this Ministerial Order:

Ministerial Order

The Council of the Ministers assembled at the Royal Palace on Saturday 23 Shawwal 1343 at 9 a.m. and discussed the report submitted to His Majesty the King by Prince Habib Lotfallah, soliciting the right of constituting a company, which will take the form of a National Bank of Hedjaz and Arabia, subject to the law of the Arabian Government, with headquarters in Jeddah.

Having viewed the laws of the aforementioned Company, the Council grants to Prince Habib Lotfallah the privilege of constituting the aforesaid Bank for a period of one hundred and one years from the date of the Royal Edict.

If the constitution of the aforesaid Company does not take place within six months of the date of the Royal Edict, this privilege will be regarded as null and void.

Submitted to His Majesty the King for approval.

The Ministerial Order was signed by seven of the King's Ministers.

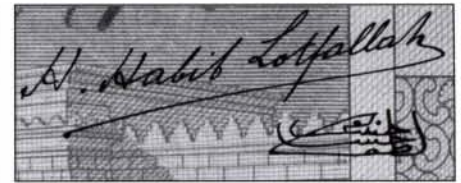
A subsequent Hedjazi decree of 3 Dhu'l Qa'dah (26 May 1925) confirmed the articles of the Bank and the directors of the bank. One of the conditions of the ratifying decree was that Habib Lotfallah was to be the Managing Director for the first ten years of the Bank's life and that one of his brothers, Michel or George, was similarly to be the Assistant Director for the first ten years. Printed in French, the statutes of the Bank were published in Cairo and entitled: *Statuts de la Banque Nationale du Hedjaz et Arabie (Société Anonyme)*⁹. The capital of the bank was set at 200,000 Egyptian pounds.

It is obvious from the concession sought by Habib Lotfallah, and granted by 'Ali, that he intended the issuance of currency to be one of the principal activities of his Bank. So, it is no surprise to learn that during

1925 he approached a printing company in France with a request to print notes for his bank. The notes were printed, but presumably not made available for delivery until very late that year, or possibly not until 1926. The reason for supposing this is that King 'Ali had finally been overthrown by ibn Sa'ud and had fled Jeddah on 19 December 1925—ending the Hashimite rule of the Hedjaz. Ibn Sa'ud then became King of the Hedjaz and Sultan of the Nejd. By the time the bank notes were ready for delivery, there was no Hashimite government in the Hedjaz under which they could be authorized to circulate. Consequently, the bank notes were packed into cash boxes owned by Habib Lotfallah and placed in storage (believed to be in France).

The bank notes prepared for Habib Lotfallah are an interesting set of notes, all the more for not usually being seen in color. The first thing that strikes the observer is the colored patterns of rich and subdued hues, with the back of each note being particularly colorful. One intriguing aspect to these notes is the use of the title 'The Arabian National Bank of Hedjaz' to designate the issuing authority. The statutes of Habib Lotfallah's bank had declared his bank to be the 'National Bank of the Hedjaz and of Arabia' (i.e. *Banque Nationale du Hedjaz et d'Arabie*) and it is not known whether the form of the title adopted for the bank notes was due to a misunderstanding, an error in translation, or whether Habib Lotfallah made a deliberate change to the name of the issuing authority on the bank notes.

There were five denominations prepared for issue, in the values of: 1, 5, 10, 50 and 100 Arabian pounds¹⁰, which, incidentally, were intended to be equivalent in value to Egyptian pounds. There is much common text on each denomination, which is written in both Arabic and English. The choice of these



The signatures of H. Habib Lotfallah, which appear on the bank notes. His signature is written in Latin and Arabic scripts.

languages is obvious, as Arabic was the first language of the inhabitants of the Hedjaz and English was the language of the empire that protected the kingdom.

The English text at the top of each note reads:

The Arabian National Bank of Hedjaz

Issued under decree dated 23 Shawal 1343

Immediately below is Arabic text which states:

The Arabian National Bank of Hedjaz

I promise to pay on demand a sum of Five Hedjazi Pounds to the bearer

This note issued under decree dated 23 Shawal 1343

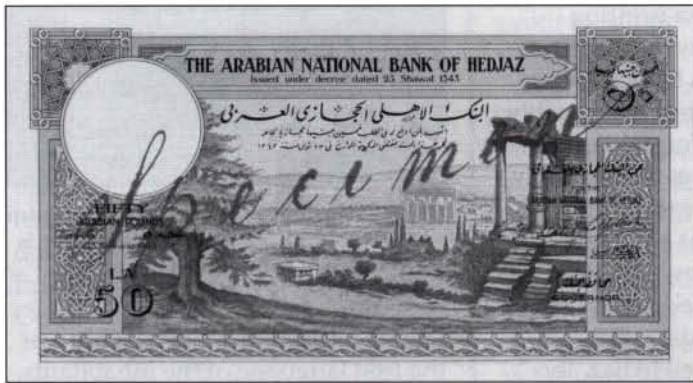
(The use of the phrase 'Hedjazi Pounds' in this text, as opposed to 'Arabian Pounds' is discussed below.) To the lower left on each note is written the denomination in English, for example 'One Arabian Pound,' while the following are written in English and Arabic:

- the place of issue, which is 'Djeddah,' and
- the date of the decree, which is '23 Shawal 1343.'

To the right-hand side of each note is the following text, once again in English and Arabic:

- 'For the Arabian National Bank of the Hedjaz'
- the signature of H. Habib Lotfallah (signed in Latin and Arabic scripts), and
- the word 'Governor.'

On each note the denomination is



The ancient Roman ruins at Baalbek in modern-day Lebanon adorn the face of the 50-pound note. In the foreground to the left is a cedar of Lebanon

winged bulls are copied from decorations found at Sargon's Palace at Khorsabad. (The carvings of the winged bulls, on which the drawings are based, are now in the Louvre, in Paris.) In the top corners of the note are depictions of winged suns. During the Assyrian reign of Mesopotamia these devices symbolized the god Ashur.

The simple reason for the use of these illustrations, that included buildings and scenes outside the Hedjaz, is that Habib Lotfallah was an Arab nationalist and he anticipated that, one day, his notes would circulate not just in the Hedjaz but in all Arab countries. This is why the title of his bank, no matter in which form, always used the words 'National' and 'Arabia' (or 'Arabian') and why illustrations from Lebanon, Syria and Iraq are used on the notes.

The use of King Solomon's Temple on the 10-pound note may at first appear incongruous¹², however it matches the ambitions of Habib Lotfallah. Firstly, Lotfallah was a Christian and he shared the beliefs of the Old Testament. Secondly, in his Arab nationalist beliefs, he expected Christian, Jew and Muslim to live in harmony in Arabia as, at this time, there was so little of the tension that has disturbed the

written in western and Arabic numerals. Above or beside the western numerals are the letters 'L.A.', which represent 'Arabian Pounds'¹¹. Over the Arabic numerals is written the value of the note in Arabic text, with the Arabic word 'Junaih' being used for 'Pound.' The serial numbers appear on the notes in the top right and bottom left, except for the 100-pound note, where they appear in the top left and bottom right. Interestingly, on the unissued and specimen notes observed for this study, there is a prefix of the Latin letter 'A' for the serial numbers on the 1- and 10-pound notes, but not for the other denominations.

Several of the illustrations on the bank notes at first appear incongruous, as why would illustrations of places outside the Hedjaz be illustrated on bank notes intended to circulate in the Hedjaz? The

illustrations used on each note are:

1 pound

The Ka'aba and the courtyard of the Holy Mosque in Mecca

5 pounds

The fountain and the treasury (at the left) within the courtyard of the Great Mosque in Damascus.

10 pounds

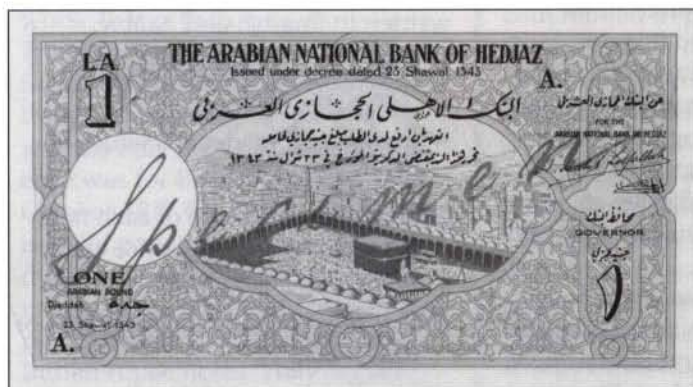
An artist's depiction of King Solomon's Temple in Jerusalem, with the pillars of 'Jachin' and 'Boaz' depicted to either side of the illustration.

50 pounds

The Roman ruins at Baalbek in modern-day Lebanon, with a cedar of Lebanon in the left foreground.

100 pounds

Two winged bulls with human heads frame a scene of a river, which is probably the Tigris. The



The face of the 1-pound note prepared for issue in the Hedjaz.

The illustration is of the Ka'aba in the courtyard of the Holy Mosque in Mecca. The word 'Specimen' has been printed on the paper prior to the printing of the bank note (i.e. it is an under-print rather than an overprint).

The notes illustrated here are the only known specimen notes.



The back of the 1-pound note prepared for the Arabian National Bank of Hedjaz. This design is used for all denominations, except for aspects concerning the value of the note and the position of the watermark.

region in recent years.

To the left, on the face of each note, is a white circular area that holds a watermark of the head of a bearded man wearing a headdress. The watermark depicts King Hussein, the former ruler of the Hedjaz.

The back of each note has the name of the issuing authority in Arabic and the numerals for the denominations in western and Arabic numerals. In the same manner as on the face of the notes, the letters 'L.A.' appear above the western numerals at the centre left and the Arabic text stating the value of the note appears above the Arabic numerals at the centre right. The Arabic text for the 1-pound note reads simply as 'Arabic Pound,' while the text on the 5-pound note states 'Five Arabic Pounds' and the 10-pound note states 'Ten Arabic Pounds.' Significantly, on the 50- and 100-pound notes, instead of having 'L.A.' above the western numerals, these notes have the letters 'L.H.A.' This presumably represents 'Hedjazi Arabian Pounds,' as the Arabic text above the denominations on the back of the notes states 'Fifty Hedjazi Pounds' and 'One Hundred Hedjazi Pounds' respectively. That this alternative text appears on the back of these two denominations and not on the face, where the text denominates the notes as 'Fifty Arabian



The printer's imprint on the bank notes.
The translation is 'Engraved and printed by Draeger, Paris.'

Pounds' and 'One Hundred Arabian Pounds,' suggests that Habib Lotfallah made a late change to the notes and that these changes were not incorporated on the back of these two notes. That a change was made during the preparation of the bank notes is supported by the fact that the promissory clause in Arabic text on face of the notes refers to 'Hedjazi Pounds' and not 'Arabian Pounds.' The error suggests Lotfallah originally intended the notes to circulate only in the Hedjaz, by denominating his notes as 'Hedjazi Pounds,' but then decided that this denomination of currency may limit the wider use of the currency at a later date. Therefore he changed the name of the currency to 'Arabian Pounds,' but not all references to 'Hedjazi Pounds' were altered on the bank notes. The change in the name of the currency unit may have been made at the same time that the title of the issuing authority was reconsidered, if indeed it was altered to 'Arabian National Bank of Hedjaz' from 'National Bank of the Hedjaz and of Arabia.' Ultimately, it is not known whether the tardy retention of the old values on the back of the two high denomination notes was due to

an oversight by Habib Lotfallah or due to an error by the printer. In either case, the errors suggest a rather amateurish endeavour in producing the bank notes.

In the center, on the back of each note, is a coat of arms in a circle, while the rest of the note is filled with colored arabesques, except for a white area reserved for viewing the watermark. The name of the issuing authority is written in Arabic in a panel at the top of the note, held within a border that encompasses the entire design on the back.

The coat of arms on the back of each note is distinctly European, but elements are pertinent to the Hedjaz. In the centre of the arms is a shield that appears to hold a sabre standing on its end, over which are crossed two lances and to either side are Arab swords. The shield is surmounted by two daggers, above which is a type of hat or crown, all of which are covered by a cape that has ermine on the inside and red on the outside. Above the cape at the top of the arms is a building of a palace or a castle. To either side of the shield, but outside the red cape, are two palm trees and above each palm tree is the flag the Hedjaz. The



The face of the 5-pound note. This is the only note to have a small vignette, as opposed to an illustration that dominates the note. The vignette is of the fountain and treasury in the Great Mosque in Damascus.



The face of the 10-pound note carries an artist's depiction of King Solomon's Temple in Jerusalem. Representations of the pillars 'Jachin' and 'Boaz' are at either side.



The 100-pound note was the highest denomination prepared for the Arabian National Bank of Hedjaz. A scene of a river, probably the Tigris, is flanked by winged bulls which have been drawn from statues found at Sargon's Palace at Khorsabad in modern-day Iraq. In the top corners are winged discs representing the god Ashur.



The back of the 100-pound note. Observe the use of the letters 'L.H.A.' above the number '100', as opposed to the letters 'L.A.' that appear on the face of the note.

flag is three horizontal stripes, of black, white and green, with a red chevron on the hoist. (This flag was later used by the *Ba'ath* Party in Syria and is currently used as the Palestinian flag.)

On the back of each note, printed in very small letters, just within the lower border of the notes, is the printer's imprint, which reads: GRAVÉ ET IMPRIMÉ PAR DRAEGER, PARIS. This phrase translates as 'Engraved and printed by Draeger, Paris.' The Draeger family were master printers and publishers with a long tradition. Nicolas Draeger (born 1813) began the family tradition by learning the printer's trade and settling in Paris. His son Charles (1844–1899) established a typographic shop at 118 rue de Vaugirard in Paris. He became renowned for his quality printing using typography, wood engraving, and chromotypography, and for adopting the modern printing processes of the era, such as half-tone and three-color process engraving. His three sons, Georges (1869–1945), Maurice (1872–1942) and Robert (1876–1947) continued the family business, ultimately shifting their printing works to Montrouge. Here they incorporated new printing techniques, such as photo-engraving, stereo-typing, electrotyping, and using photogravure for

color printing, as well as establishing a type foundry.

By the 1920s, the Draeger Brothers (*Draeger Freres*) were printing fine artwork, photographs and quality books. Well known in France for their first-class work, they also became celebrated for preparing high quality advertising posters, often prepared by leading artists. When Habib Lotfallah approached the Draeger Brothers to print his notes, he would have been aware that he was acquiring the services of one of Paris's premier printers. However, the Draeger Brothers are not known to have printed any other bank notes and this was probably their only commission in this line of work.

Finally, the size of each note is as follows:

1 pound	154 x 86 mm
5 pounds	166 x 94 mm
10 pounds	186 x 101.5 mm
50 pounds	201.5 x 110.5 mm
100 pounds	209 x 121 mm

The Pursuit of Further Ambitions

Having had his notes printed, Habib Lotfallah saw that there was no possibility of the Hashimite kings being restored to the throne of the Hedjaz and his notes remained in storage. In 1926 he approached 'Abd al-Aziz ibn Sa'ud and sought

permission to operate the Arabian National Bank of Hedjaz in the territories now under his control. A reply from Sheikh Hafez Wahba, Counsellor to ibn Sa'ud, stated that the Bank could operate as a commercial entity until the new government had consolidated its control in the Hedjaz. Ibn Sa'ud also agreed that the Arabian National Bank of Hedjaz could operate as a state bank, on condition that the Bank loan ibn Sa'ud 100,000 pounds, repayable over ten years with interest. Habib Lotfallah and his directors considered ibn Sa'ud's proposal in 1927 and deliberated whether they should realize part of the Bank's capital, to satisfy the demand. Agreement was made to follow this policy and by 1928 a portion of the bank's capital had been liquidated to meet ibn Sa'ud's demand. However, it was then recognized that it was not possible to realize sufficient capital and the project to raise 100,000 pounds foundered. (Many years later Habib Lotfallah stated that he was unwilling to give the loan to ibn Sa'ud 'on principle'.)

Although his bank notes had not been released into circulation, Habib Lotfallah claimed that his bank did commence operations. According to correspondence sent to the British Colonial Office by Habib Lotfallah,

the Arabian National Bank of Hedjaz operated from Djeddah, Suez, Cairo and Port Said, although he does note in one letter that the transactions were very limited. Evidence that his bank actually operated from any location is absent, apart from the claims by the Prince. If the bank did operate in any form from any one of the four nominated locations, then it is not known when the bank began operations and when it ceased. However, there is evidence that steps were taken to open a branch of the bank in Aden.

In 1928 Hassan Anis Pasha sought, through the British Colonial Office, to open a branch of the Arabian National Bank in Aden. He was advised that no special authorization was required to open a bank in Aden and that he should approach the local authorities with his request. However, he was also informed that the local authorities felt there was insufficient business for another bank in Aden. It is probable that Habib Lotfallah had negotiated with Hassan Anis Pasha to open a branch of the Bank in Aden but, as the activities of the Bank were curtailed in the Hedjaz, Hassan Anis Pasha did not pursue the matter and nothing further came of the request.

The notes of the Arabian National Bank of Hedjaz languished in storage for some years. However, in 1929 Habib Lotfallah was stirred into action due to activities in

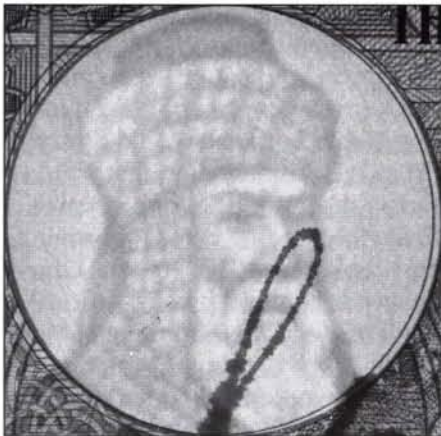
Transjordan and Iraq. In August 1921 King Faisal, the son of King Hussein of the Hedjaz, was placed on the throne of Iraq by the British, who were administering the territory under a mandate of the League of Nations. Indian rupees were circulating in Iraq but there arose a strong nationalist movement seeking to implement a national currency for Iraq. The British sent Sir E. Hilton-Young to Baghdad in 1925 to study the situation and he recommended the introduction of a currency board, with the board based in London but which would issue bank notes on behalf of the Government of Iraq. When presented with this proposal in 1926 the Iraqis objected strongly, as the currency was to be under the control of the British, and the matter was not resolved. At the same time, similar issues arose in Transjordan where the British had installed Abdullah, another son of King Hussein, as the Amir. In Transjordan, the notes of the Palestine Currency Board were circulating and there were similar nationalist sentiments that sought Transjordan's own currency.

It was into this turmoil that Prince Habib Lotfallah stepped in 1929, with a vision of establishing his bank in Transjordan and Iraq. Lotfallah initially discussed his proposal with Faisal and Abdullah and even submitted a plan of his proposal to Abdullah. Lotfallah's proposal for establishing his 'National Arabic Bank' in Amman was conditional on the government of Transjordan making Lotfallah's bank the government's official bank. Lotfallah's proposal also referred to the issuance of bank notes, backed by English sovereigns, to replace the notes of the Palestine Currency

Board; as well as indicating that loans could be made to the Agricultural Bank (which was in financial difficulties).

Apparently unsuccessful in his direct approach to Amir Abdullah and his government, Habib Lotfallah determined that he should seek British approval for his scheme. To this end he enlisted the assistance of Cecil L'Estrange Malone, a member of the British Parliament and a friend of the Prince. Habib Lotfallah was not adept at writing English and his spoken English was imperfect. Therefore he enlisted Malone M.P. to translate and submit his proposal to the appropriate government authorities. Approaches were made to the Colonial Office and the Foreign Office, with the object of gaining official British sanction for opening his bank in Iraq and Transjordan and be given the right to issue bank notes in both territories.

Following the receipt of their correspondence, Prince Lotfallah and Cecil Malone were given the courtesy of an interview and met with William Lunn Esquire M.P. an Under-Secretary of State in the Colonial Office. Although he was given the interview, Prince Lotfallah failed to impress anyone in the Colonial Office. His dubious title of 'Prince' made some people wary of him and his scheme and his objectives were not always lucid. He wanted British support, but he was unable to be specific in the support he was seeking. He apparently didn't understand that licences for opening banks in both territories, i.e. Iraq and Transjordan, were the responsibility of local authorities and not the authorities based in London. His desire to obtain the British Government's sanction for issuing his notes seems to have been a major objective, in which he failed. He also wished to receive introductions to the leading bankers in England, in the hope that they would finance his project. Lotfallah claimed to have been in discussion



The watermark used for all denominations of the Hedjazi notes.

with Barclays Bank, but it is doubtful they intended to support his project. Claims by Lotfallah that his bank had its head office at Jeddah and branches at Cairo, Suez and Port Said, which had 'been working quietly for four years,' appeared to the Colonial Office to be lies, as they found no evidence of any activity of his bank; and unsupported claims such as this could not have helped his cause. (Later evidence would show that the bank had been operating as a private concern in a very narrow manner.)

Shortly after Lotfallah and Malone opened their discussions with Mr. Lunn, the Under-Secretary was replaced by Dr. Drummond Shiels, who began to deflect further correspondence from the co-conspirators. Whether or not it became obvious to Lotfallah and Malone that the British Government was not going to support their proposal, it is not known. However, support was not forthcoming and it was never going to be forthcoming. The official British position remained that Habib Lotfallah should seek a banking licence in each territory in the usual manner and that currency arrangements in Iraq and Transjordan were satisfactory.

In early 1930 Lotfallah returned to Egypt en route to Iraq, having received communication from one of his brothers that he should come to the Kingdom. While in Egypt on his way to Baghdad he paid a call on the British High Commissioner, Percy Loraine. While extolling the plans he had already placed before Mr. Lunn and Dr. Shiels, he also addressed his plans for the Arabian Peninsula. Lotfallah now proposed to issue his bank notes in a manner similar to traveller's checks issued by Thomas Cook, in anticipation that the Hedjazi government of ibn Sa'ud might be convinced of the importance of his bank. This might then lead to the bank being established in the Hedjaz and the bank notes being recognized as legal tender. Lotfallah also expressed an

ambition that ultimately there would be three currencies in the Near and Middle East—the Egyptian pound, the Indian rupee, and his Arabian pound, which would be the currency of all Arab-speaking countries in Asia.

However, Lotfallah's immediate ambitions had been thwarted in November 1929 by Egyptian customs authorities, who impounded a consignment of £200,000 of his bank notes. Evidently, in anticipation that his plans for establishing his Arabian National Bank in Iraq and Transjordan were nearing fruition, he had arranged for the bank notes stored in France to be sent to Egypt. Unexpectedly, the bank notes were seized and held by Egyptian authorities who stated that the notes would be released if the Arabian National Bank of Hedjaz commenced business, otherwise they would be destroyed. It is likely that Habib Lotfallah's visit to the British Resident on his return to Egypt was in part to seek intercession for the release of his bank notes, although this request is not recorded in any correspondence.

Habib Lotfallah continued to Iraq and joined his brother. After making himself familiar with the ambition of the Iraqis to form a National Bank and to issue their own currency, he dropped the idea of opening a branch of the National Bank of Arabia and set his mind on establishing the National Bank that Iraq was seeking to establish. To this end he submitted a proposal to the Minister of Finance in the Iraqi government, outlining his intentions. The proposal indicated that he and his brothers, as well as a group of English financiers, intended to establish a company with the name of the 'National Bank of Iraq' with the capital of one million pounds sterling. Lotfallah was presumptuous enough to state that, of this sum, £500,000 had already been subscribed. Unless he and his brothers were the subscribers of the half-million pounds, it is difficult to

know how the amount could have been subscribed so soon and it is probable that the statement was a lie, made in an effort to sway the Iraqi government into accepting the proposal.

While promising that his bank would provide facilities for the economic and financial development of Iraq, Lotfallah did seek some concessions. He wanted exclusive rights to the government's business and he wanted the bank to have the sole right to issue bank notes in Iraq for a period of one hundred and one years. He promised to back the bank notes issued by his bank with gold bullion, gold coins, English Treasury Bonds, War Loans and any other securities (preferably English). As to the profits of the Bank and the participation of the government in these profits, Habib Lotfallah asked that this matter might be discussed at a later date.

Returning to Paris, Habib Lotfallah enlisted Cecil Malone's assistance in approaching the Colonial Office with the aim of gaining approval for his new venture in Iraq. The reply from the Colonial Office to Cecil Malone was succinct but comprehensive. The British Government felt that there were adequate banking facilities in Iraq and Transjordan and did not feel that there was room for another bank. Additionally they felt that the currency requirements of Transjordan and Iraq were being adequately met. However, they encouraged Habib Lotfallah to make formal applications to gain banking licences in both countries. In making this suggestion, they pointed out that Habib Lotfallah would need to provide documentation that would satisfy the authorities of his Bank's financial standing before approving any application. The Colonial Office believed that the Arabian National Bank of Hedjaz was nothing but a façade and by noting this prerequisite they would likely deter any application. Their estimation of the

situation proved correct, as Habib Lotfallah's proposal progressed no further.

Lotfallah's initial proposal to open a branch of the Arabian National Bank in Iraq and Transjordan, and subsequent proposal to open the National Bank of Iraq under his control, appear to have suffered from several problems. Firstly, his proposals were not being seriously considered by the British, who were not actively discouraging Lotfallah, but who were determined to frustrate his ambitions should it look as if his projects were nearing fruition. Habib Lotfallah was considered by several government officials to be completely untrustworthy and his schemes a sham. Secondly, in the matter of the National Bank of Iraq, Lotfallah was just a little too late on the scene. His proposal to the Iraqi Minister of Finance was dated 19 March 1930, but on 17 March 1930 a proposal to create the Iraq Currency Board was approved by the Iraqi Cabinet following a recommendation by the Minister of Finance to implement Britain's proposal of 1926. Although the Currency Board was in no way a National Bank, it was established to issue currency in Iraq. Thus, by the Iraqi government accepting the introduction of a Currency Board, they had no need of Habib Lotfallah's bank of issue.

In Search of Ambitions Unfulfilled

Habib Lotfallah's efforts to gain support from ibn Sa'ud in 1926 and 1927 had faltered in 1928, after a failed attempt to raise the required £100,000 by realizing part of the capital of the Arabian National Bank of Hedjaz. Why the decision to raise the cash and supply it to ibn Sa'ud was not carried through is not clear. However, in 1932 Prince Lotfallah again sought to establish his bank in Arabia. Evidently, at the same time a gentleman by the name of Abdul Hamid Shedid was negotiating with ibn Sa'ud with the same objective of establishing a national bank in

Arabia. Abdul Hamid Shedid was representing the former Khedive of Egypt and his scheme, although ultimately unsuccessful, seems to have been preferred to that proposed by Lotfallah. Nevertheless, in 1934 Habib Lotfallah was invited by ibn Sa'ud to meet him in Taif near Mecca in order to investigate the possibility of establishing his bank in the Arabian Peninsula.

Ibn Sa'ud had been concerned for a number of years at the problem of money supply and exchange rates during the annual pilgrimage to Mecca and he sought solutions to alleviate the problem. It is probable that he entertained the proposals by Habib Lotfallah and Abdul Hamid Shedid as possible solutions to the problem. Evidently Prince Lotfallah's proposal was unsuccessful, although correspondence by Lotfallah from a later period indicates that ibn Sa'ud agreed to let the Arabian National Bank of Hedjaz operate on the condition that the Bank could show strong financial backing. It is possible that the Prince sought support from British financial institutions at this time, which was not forthcoming, and that this was a contributing factor to the failure of the bid.

Around this time the Arabian National Bank of Hedjaz was all but wound up, probably due to the failure of the bid to win ibn Sa'ud's approval. Whether Lotfallah and his brothers simply wished to wind up affairs or whether they wished to realize the remaining assets of the bank is unclear, but it seems that there was an intent to cease what little activity the bank was undertaking. It might also be assumed that, at this stage, Habib Lotfallah felt his ambitions for his bank would never be realized.

However, as the world drifted toward war in 1939, Habib Lotfallah re-opened his correspondence with the British Colonial Office. Once again enlisting the services of Cecil L'Estrange Malone as an intermediary, Lotfallah contacted the Secretary of State for the Colonies, Malcolm

MacDonald, who replied to Malone offering the Prince an interview. Malone made known MacDonald's response to Habib Lotfallah and in a reply to his confidant, Lotfallah shed some illumination on the activities of his bank.

Lotfallah claimed that he had in the past used the services of a Mr. Foa, a director of the former Anglo-Egyptian Bank, to make representations on his behalf to financial institutions such as Lloyd's Bank, Barclay's Bank and the Imperial Indian Bank. He indicated that communication with these institutions invariably stalled when it became known that support from the British government was not forthcoming. Exactly what was raised with the financial institutions is not known, but with the knowledge of Lotfallah's correspondence with the Colonial Office, it is probable that the tenor of any discussion centered around the Arabian National Bank of Hedjaz operating as a bank of issue, rather than a commercial banking venture. As such, it is not surprising that the commercial banks failed to acquiesce to any plans if support from the British government was not forthcoming.

Lotfallah also claims at this point that 500,000 pounds of his bank notes were printed and that the plates for printing the notes were still intact and could be used to produce further bank notes. This is a tantalizing statement. If only 200,000 pounds of bank notes were seized in Egypt in 1929, then 300,000 pounds must, at this point in time, still have been in storage. Was Lotfallah exaggerating the number of notes printed, or were there in fact notes still available to the Prince?

As to the status of his bank, Lotfallah admits that the bank had gone into voluntary liquidation around 1934 following his failure to secure an opportunity to operate his bank. However, he assures Malone that within two months he can arrange for the creation of the state of United Arabia and that his bank

will be the link between the west and the new state.¹³

Habib Lotfallah's subsequent interview at the Colonial Office, arranged through the auspices of Malcolm MacDonald, was with Sir John Shuckburgh, to whom the Prince explained his scheme for uniting the Arab countries and establishing his bank. During the cordial interview the obvious difficulties, in seeking the co-operation of various independent states where Britain had little influence, was observed by Sir John. Habib Lotfallah recognized the problem and suggested that he might commence with Saudi Arabia and Yemen before proceeding further. Sir John did not believe the proposal would succeed but he did offer to approach Sir John Caulcutt of Barclays Bank to sound him out, as Habib Lotfallah had indicated that he wished to include some of Britain's financial institutions in his scheme.

Prince Lotfallah subsequently received an interview with Sir John Caulcutt and although the interview achieved little, he was well received. Sir John, like others with whom Lotfallah had dealt with at the Colonial Office, found it difficult to understand what Lotfallah was seeking of him. However, Lotfallah did seek greater liquidity for his Arabian National Bank of Hedjaz and he suggested that Barclays Bank could acquire fifty percent of his bank. Sir John indicated that if Barclays was to take an interest, they would acquire the whole concern, to which the Prince admitted he was ready to consider such an option. A balance sheet for the Arabian National Bank of Hedjaz from 1934 was made available to Sir John and he noted that a large number of debts owing to the bank were loans made to the Lotfallah family. Despite suggesting that Barclays could get involved in the Prince's bank, it became evident that they would not. During the interview, Sir John also raised the

matter of an advance made by Barclays Bank to the Prince some years ago, which had not been repaid.

Sir John reported the outcome of his interview with Habib Lotfallah to Sir John Shuckburgh and offered to request a current financial statement from the Prince, with the object of establishing that the Prince did not have the wherewithal to continue with his proposed scheme.

At this stage, a new player entered the arena, Mr. A. C. Bossom M. P. Mr. Bossom had befriended Prince Lotfallah and sought to assist him in his schemes. Following meetings with Mr. MacDonald at the Colonial Office and Mr. Bagallay at the Foreign Office, Mr. Bossom managed to gain an interview for Prince Lotfallah at the Foreign Office on the condition that the Prince could show that his proposed bank was financially viable.

A letter from Prince Lotfallah to Mr. Bossom attempted to represent his bank in favorable light by stating that the capital of the bank was £200,000 and that the accounts of the bank were audited by Price Waterhouse and Company. He again declared that bank notes to the value of £500,000 had been prepared, although nothing was mentioned of the notes seized by the Egyptian authorities in 1929. He also stated that he had no concerns in recruiting staff and that he intended to commence his bank in a small way, prior to expanding to all Arab countries.

Mr. Bossom, on the strength of Habib Lotfallah's reply, obtained an interview with Mr. Bagallay. At this meeting Habib Lotfallah simply requested that the British Government guarantee his bank note issue to the value of £200,000 (not the £500,000 mentioned in his correspondence to Mr. Bossom), so that he could establish his bank in Saudi Arabia. Lotfallah was still clinging to the promise made by ibn Sa'ud some years earlier, that he could establish his bank in ibn Sa'ud's

realm if it was backed by the British. Prince Lotfallah emphasized the point that he was not asking the British Government to provide capital for the bank, but simply to provide a guarantee for the note issue.

Around the time that Mr. Bossom was making representations on behalf of the Prince, Cecil Malone resumed his activities and wrote to the Colonial Office seeking to promote the interests of the Prince. With several appeals being made to the Colonial Office and the Foreign Office on behalf of the Prince, it was decided, in an effort to bring the matters concerning the Prince to a conclusion, to accept Sir John Caulcutt's offer of asking Habib Lotfallah to present his financial position with the supposed intention of Barclays Bank considering his proposals.

A meeting was subsequently held on 8 March 1940 at the Colonial Office. In attendance were Sir John Shuckburgh and Mr. Downie of the Colonial Office, Mr. Coverly-Price of the Foreign Office and Sir John Caulcutt and Mr. Jones of Barclays Bank. Sir John Caulcutt had received an interim report from Barclays Bank in Cairo, which indicated that Prince Lotfallah's bank had not been functioning since 1934 and that the business of the bank had seemed to consist of loans and discounts to family members. There also appeared to be a loss of £18,000 showing on the books, which was not immediately understood. The status and financial position of the Prince's bank did not present it as a vehicle by which a national bank of Arabia could be established. Sir John Caulcutt was expecting a detailed report from Cairo, showing the situation of the Bank in 1934, and until this report was received it was decided to leave the matter in abeyance.

On 1 April Prince Lotfallah met with Sir John Caulcutt and Mr. John of Price Waterhouse. At this meeting, Sir John acknowledged that the

Prince's scheme seemed sound but, due to the war, it was not an opportune time to initiate the scheme and Barclays would find it a difficult proposal to support in the current climate. The matter might, Sir John suggested, be revisited after the war.

Habib Lotfallah saw that he was being fobbed off by Barclays Bank, but he clung to the hope that the British Government might still support him. He wrote to the Secretary of State, Lord George Lloyd, requesting an interview, but none was offered. By April 1940 the British had learned that ibn Sa'ud had the lowest opinion of Habib Lotfallah and would not trust him with the formation of the bank unless the British Government took a lead in the project. The various officials who had dealt with the Prince also had no faith in his personal capabilities. While admitting him to be a charming man, his lack of banking experience and his inability to be an instrument of policy in the Middle East almost made him an object of derision in government circles.

On 24 May Habib Lotfallah was given his last interview with Mr Bagallay of the Foreign Office. The interview became slightly acrimonious as Mr. Bagallay made it quite clear that the proposals of the Prince would not be entertained by the British Government. Ultimately, the Prince was dismissed with no room left to doubt the failure of his schemes. However, several interesting claims were made during this final interview. On being reminded that the British Government would not support his bank or guarantee his bank notes, the Prince declared that this did not matter, as the single issue at hand was really the political situation in the Arab countries. He raised the matter of the failure of the British to maintain the Arab nation as a single entity after the First World War and indicated that the current war offered an opportunity to reverse the mistake. He wanted to unite all Semitic races of the Middle

East, including Jews, Christians and Moslems. To achieve this, the personal influence of the Lotfallah family would be used. The Prince claimed to be the leading power amongst the Freemasons of the Middle East and he averred that, if it were not for the French, his brother George would have been universally acclaimed as the King of Syria. The Prince declared his dislike of ibn Sa'ud and of the late King Faisal of Iraq and he sought the British Government's assistance in overthrowing the incumbent administrations in various Arab countries, to be replaced by the Lotfallah family in supreme command.¹⁴

Not surprisingly, Mr. Bagallay took the Prince's declarations lightly, and indicated that Great Britain would not support his schemes against countries with which the Government had existing treaties. The Prince then threatened to take his scheme for a bank (which he had just declared to be immaterial) to the Americans, suggesting that the British would not appreciate the interference of the Americans in Saudi Arabia. He also complained that, at the time ibn Sa'ud was threatening King 'Ali in Jeddah in 1925, he had raised mercenaries to fight ibn Sa'ud but was not allowed to engage ibn Sa'ud because the British would not permit him. Had he had his way then, it was insinuated, the current state of affairs would never have eventuated. However, all the threats and theatrics of the Prince did not impress Mr. Bagallay and the end of this interview appears to have marked the end of the Prince's aspirations for his bank in the Arab countries and, from this point, his project faded and all initiative was lost.

Habib Lotfallah saw out the war in Great Britain, in much the same manner that he had sought refuge in Madrid during the First World War. The possibility cannot be overlooked that the final proposal for his Arabian National Bank of Hedjaz was little more than a scheme to find

his way to Britain simply to escape the war on the continent and in Egypt. If this was not his original intent, it was certainly the final outcome.

Conclusion

The story of Prince H. Habib Lotfallah and his Arabian National Bank of Hedjaz spans some fifteen years, from the decree made by King 'Ali in 1925 to his last bid to the British Government in 1940.

What drove him to establish his bank and, having his immediate objective thwarted in the Hedjaz, why did he seek to launch his bank in Aden, Transjordan, Iraq and then in Arabia? From correspondence generated by Habib Lotfallah, he certainly expressed a desire to use his bank to promote Arab nationalism and he had the ultimate goal of uniting all Arab nations as one country or under one federation. In looking at the original incarnation of the Arabian National Bank of Hedjaz, it appears that Arab nationalism was not his prime objective, although Arab nationalism was an ideal that he shared with King Hussein. Perhaps Habib Lotfallah saw his bank being given a wider audience under the Hashimite kings, but there is always a suspicion that the objectives of Prince Lotfallah were more mercenary.

Despite his declared nationalist intentions, a concession sought by Habib Lotfallah from Amir Abdullah and King Faisal was the entire business of their respective governments. This concession, if given, would have been a financial benefit that would have secured the future of the bank. It is thus difficult to see that the intent behind this concession was anything but financial.

The happenstance of history that saw Habib Lotfallah's ambitions dashed before him in 1925, at the point of their achievement, must have been a bitter disappointment to the Prince. He spent much of the rest of his life trying to resurrect the

opportunity which he had lost. However, while he was able to ingratiate himself with King Hussein and King 'Ali, it appears that he was similarly alienated over time from Ibn Sa'ud and King Faisal of Iraq.

Although originally on familiar terms with kings, rulers, diplomats and politicians, he was unable to make any real difference in the areas he sought to exploit. Certainly, his quixotic attempts to establish his bank after its initial failure were handled without any real acumen. He seems to have been living in a world where matters were achieved entirely by influence and association and he could not understand that his plans had to be backed by substance, not just by his promises. It is also apparent that, as he grew older, he became an anachronism who was not always well regarded.

The movements of Habib Lotfallah after he left Britain, following the end of World War II, are uncertain. It is known that at some stage he made his way to Lebanon and, after living there for a number of years, he finally passed away in Beirut. Ultimately, his legacy and the legacy of the Arabian National Bank of Hedjaz are several unissued sets of his bank notes. It is assumed that the Egyptian authorities destroyed the notes they impounded in 1929. It can also be assumed that the later claims by Habib Lotfallah that £500,000 of his notes were printed, rather than the £200,000 indicated earlier, is an exaggeration and that no notes of the Arabian National Bank of Hedjaz exist, apart from unissued and specimen notes. Thus ends the story of H. Habib Lotfallah and the Arabian National Bank of Hedjaz.

Images

- The images of the bank notes are reproduced with courtesy of the National Archives of Great Britain.

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- ¹ Transliterating from Arabic into English is not always easy and often depends on the area in which the Arabic is spoken. The name 'Hedjaz' can also be transliterated as 'Hejaz' and 'Hijaz.' The last spelling is probably more accurate, as Arabic does not

have a letter equivalent to 'e.' However, for this study, the spelling 'Hedjaz' is used, as this is the spelling that appears on the bank notes.

- ² In Sarkis (1926) it is stated that Habib Lotfallah entered the military academy and attained the rank of *mulazim tani* or sub-lieutenant of cavalry. In an undated biographical sketch, typed in French and held in the British National Archives (CO732/85/19), it is stated that in 1907 Lotfallah was a sub-lieutenant in the 'Coast Guard.'
- ³ In Sarkis (1926) it is stated that Habib Lotfallah entered the military academy and attained the rank of *mulazim tani* or sub-lieutenant of cavalry. In an undated biographical sketch, typed in French and held in the British National Archives (CO732/85/19), it is stated that in 1907 Lotfallah was a sub-lieutenant in the 'Coast Guard.'
- ⁴ A 'Wali' or 'Vali' was a governor in charge of a vilayet, which was a province of the Ottoman Empire. 'Wali' is the Arabic word and 'Vali' is the Turkish word.
- ⁵ The word *sharif* (plural *ashraf*) is an honorific title given to descendants of Hashim ibn 'Ali Manaf.
- ⁶ *The Times* 7 October 1924.
- ⁷ Although the Hedjaz was represented at the Versailles peace conference by the King's son Faisal, King Hussein refused to ratify the treaty in protest at the mandates being forced upon the Arab people.
- ⁸ *The Hashimite Kingdom of Arabia* page 158.
- ⁹ *Société Anonyme* indicates Limited Liability.
- ¹⁰ *The Standard Catalog of World Paper Money* also lists a half-pound note as part of the issue. However, no image of this note has been seen and it is believed that the report of this note's existence is an error. The description in the *Standard Catalog of World Paper Money* states that the half-pound note is red with an illustration of the Ka'aba (in the courtyard of the Holy Mosque in Mecca) on the face and an Indian coin depicted on the back. As all other notes prepared for the Arabian National Bank of Hedjaz have a common back, it is unlikely

that a half-pound note, should it exist, would have a different design on its back. Similarly, as all notes have a different illustration on their face, it is unlikely that the Ka'aba and the Holy Mosque, which appear on the 1-pound note, would be illustrated on two notes. In addition, *La Patrie* (a French-language newspaper published in Egypt) reported in their edition for 25 November 1929 the seizure of bank notes prepared for the Arabian National Bank of Hedjaz by Egyptian Customs, stating that notes in the denominations of 1, 5, 10, 50 and 100 pounds were seized. If the half-pound note had been prepared, it is probable that notes of this denomination would have been amongst the seized notes.

¹¹ The 'L' in 'L.A.' represents 'Libra,' which is the Latin word for 'Pound.'

¹² It is not certain that the building depicted is King Solomon's temple. There have been many depictions of the temple over the years and this illustration matches one artists impression of the temple. In support of the claim that this is the temple of King Solomon, are the two pillars of Jachin and Boaz which are described in 1 Kings 15:20.

¹³ The claim that he could invoke the creation of a united Arab state appears outlandish and is an indication of delusions of power and influence that Habib Lotfallah appeared to be developing.

¹⁴ This is the second example of Lotfallah's delusions of power being expressed.

The editor apologizes to Mr. Symes for publishing an earlier version that was truncated.

Dalnevostochny Sovnarkom Bank Notes

by Alexey Zhoukov, I.B.N.S. #8479

Probably some of the most interesting bank notes in circulation in the Far East during the Russian Civil War were those of the Dalnevostochny Sovnarkom (an early form of the Soviet Government in the Far East). They can often be seen in different books and articles for collectors. When you look at them you feel some magic force in these simple bills. They seem not only to reflect those hard times, but somehow symbolize them. Not only the bank notes themselves draw our attention, the history of their "God-father" is even more interesting.

The Khabarovsk newspaper "Svobodnoje Priamurje" in its January 11, 1918 edition declared that according to a ruling of the Primorskoye Oblastnoye Zemskoye Sobraniye, the only legitimate representative of the Central Government was the Dalsovnarkom. The Sovnarkom Committee, set up on the 5th of January, was presided over by Alexander Mikhailovich Krasnoschekov. In this way, starting from January, 1918, the Soviet regime was established in Khabarovsk and the city became the residence and the administrative center of the Dalsovnarkom until September 1918.

Krasnoschekov played a special role in the reforms of the new government. He was a rather unusual person: he joined the revolutionary movement when he was very young, and in 1903, to avoid ending up in prison, he immigrated to the USA. There this young man, only 23 years old, soon became a famous orator, and in 1912, having obtained a college degree, he became a professor and the rector of the Chicago Workers' University. He had everything; his life was stable and he

was married, but... the revolution in Russia broke out, and he dropped everything and went there. In 1917, under the name of Abram Moiseevitch Tobenson, he arrived in Russia to "make a revolution" and went to the Far East, where he became the head of the Dalsovnarkom. He carried out economic reforms in this vast region and shows himself an active supporter of the market economy and non-violent administrative methods. Many experts in the field, especially outside Russia, tend to think he wanted to bring the American way of life to the country. Perhaps now his dreams seem a bit naive, but he acted quickly and consistently. To establish a new society he set up the Workers Oversight Committee. All industrial, commercial and other enterprises were managed by workers. Peasants' rent was limited by the Soviety (a form of local government). Peasants were given land, seeds, agricultural implements and financial aid. Of course, the government needed money for all these reforms.

As the region was rather far from the center of the country, the regional government had to issue its own money. It was decided to print 10, 25 and 50-ruble bank notes. The quantity of bank notes issued by the Dalsovnarkom from January to September, 1918, and their respective face-values may be seen in the chart on the next page.

As the Dalsovnarkom's bank notes were issued by the Khabarovsk affiliate of the State Bank, they were signed by its manager, Fugalevitch, though his signature was below the signatures of the Committee Chairman, Krasnoschekov, and the



10 ruble note of Dalnevostochny Sovnarkom.



25 ruble note of Dalnevostochny Sovnarkom.



Minister for Finances and Deputy Chairman, Kalmanovitch. The peculiarity of the issue was that there was no notation of their provision on the bank notes, though they were issued by the bank.

To make the issue simple and quick, a single cliché with insignificant changes for each of the denominations, was used, and all the bank notes were of the same design. They differed only by face-values.

Because of the absence of special technology and experts in bank note design, all the bank notes were designed by an amateur artist, Ferenc Lipót, a former Hungarian POW from a nearby concentration camp.

The absence of protective ornamental markings on the verso and the face of the bank notes meant they were not safe from counterfeiters. The inscription "Counterfitters

will be strictly prosecuted" on the bank notes is just a formal warning.

The design of the bank notes corresponded to the ideology of the Dalsovnarkom. Therefore, on the verso of the bank note, on the left side against the background of factories with chimneys belching out smoke, steamers going down a river and an engine with a train, there is a vignette of a worker with a hammer, symbolizing the Russian proletariat; on the right side against the background of fields and village buildings, there is a vignette of a

peasant with a scythe. The two of them together as a whole symbolize the unity of workers and peasants in the Soviet Republic. The name of the republic RFSR, at that time without the word "Socialist," is in the upper part of the bank note.

On the face side of the bank note there is a picture of the Earth, with the Far East on a larger than normal scale.

Because of the vignette on the verso, the bank notes were known as "kosary" (mowers) or "kuznetsy" (smiths). Sometimes they were also

Face-value, rubles	Bank notes issued	Total value in rubles
10	307,560	3,075,600
25	122,639	3,065,975
50	105,101	5,255,000
Total	535,300	11,396,575



50 ruble note of Dalnevostochny Sovnarkom/



called "krasnoschekinskije."

The Dalsovnarkom's bank notes which were re-registered by the Siberia Interim Government in September, 1918. The Dalsovnarkom bank notes were not withdrawn from circulation when the Siberia Interim Government came to power in Khabarovsk in September, 1918.

Unlike the Dalsovnarkom, the "White Guard" did not manage to issue the required quantity of money quickly enough, so to save the economy of the region, they had



Face-value, in rubles	Number issued	Number registered	Number not reregistered
10 rubles	307,560	244,491	63,069
25 rubles	122,639	108,137	14,502
50 rubles	105,101	101,471	3,630

to leave the "kosary" in circulation. The bank notes were simply re-registered and stamped. The majority of bank notes in existence today have such stamps, so the ones without them are one and a half times more expensive. Out of the

three Dalsovnarkom bank notes the most valuable for collectors is the 50-ruble note.

From that point, the Dalsovnarkom bank notes had the same fate as most bank notes issued during the Civil War. They got mixed with other money issued in the region, whose price swiftly dropped and which almost completely lost their value.

And what about the fate of Krasnoschekov himself? He was imprisoned by the "White Guard," but was not identified. When the Bolsheviks came to power he was released and became PM of the Dalnevostochnaya Republic. It was he who wrote the constitution of this buffer state. After the Dalnevostochnaya Republic was annexed, he held several important posts in the Soviet Government (he was a member of the Commission for Immobilization of Church Property, the Head of the Industrial Bank and Deputy Minister for Finances of the RSFSR). His life is said to have been a model for Yesenin when the last created the images of "positive" revolutionaries. But Krasnoschekov met Lilya Brik. He courted her and gave her expensive presents, and then he was put into prison. He soon was released because of bad health and sent into an honorable exile in 1926. But fate is as fickle as the weather, and in the notorious year of 1937, they recalled everything he had done, and he did not manage to survive.

Who is Who on the Recent Issues of The Bank of Japan

by Ronald Greene, I.B.N.S. LM-185

The Nippon Ginko, or Bank of Japan, was established in 1882. It is a central bank, much along the lines of the Bank of Canada. It is the only note-issuing bank in the country and functions as the lender of last resort to the banking system.

In 1984 three new notes were introduced by the Bank. These were the 1,000, 5,000 and 10,000 yen notes. In July 2000 a new denomination of 2,000 yen was introduced to commemorate the end of the second Millennium and the G8 Summit Meeting held in Okinawa. In November 2004 the notes of the denominations of 1,000 yen and 5,000 yen were replaced with notes featuring different people. The 10,000 yen note was also replaced, but continued to use an image of Fukuzawa Yukichi. While Japan is said not to have a major counterfeiting problem, modern computers and imaging programs pose a potential problem, so the notes of 2000 and the three notes of 2004 have enhanced security features, such as watermarks, micro-printing, luminescent ink and holograms. In addition watermark-bar-patterns and latent images become visible when the bank notes are viewed from certain angles. There are also intaglio (raised) symbols for the visually impaired.

In giving names we have followed the normal Japanese procedure of giving the family name first. The back of all notes have the bank name in Romaji, or English letters, plus the denomination in Arabic numerals. One or more vignettes appear on the back as well.

The 1,000 yen note of 1984 features the novelist and scholar of English literature, Natsume Kinnosuke, known by his pen name,

Natsume Soseki. Natsume was born in 1867 in Tokyo, the last of eight children. He first studied classical Chinese, then English. After some years of teaching high school he was sent to England in 1900 as a government student. Upon his return in 1903 he replaced Lafcadio Hearn at Tokyo University. He wrote haiku – short poems of seventeen syllables – and short stories. In 1907 he left teaching and joined the Asahi newspaper. He wrote about one novel a year after joining the newspaper. In 1910 he became seriously ill from a gastric ulcer. His subsequent work intensified the examination of the solitary, intense and occasionally demented mind. He died in 1916.

The back of the note features two storks dancing. Storks are especially revered in Japan and symbolize long life.

The 5,000 yen note of 1984 features Nitobe Inazu, who was born in Morioka in 1862 and died in Victoria, B.C. in 1933. This connection has resulted in Morioka and Victoria becoming sister cities. Nitobe studied agriculture economics at the then new Sapporo Agricultural College, and later entered Tokyo University to study English literature and economics. He studied in the United States for three years and in Germany for three years. He desired to become a bridge between Japan and the West and wrote in English and in German, explaining Japan to the West – the exact opposite of Fukuzawa Yukichi who brought Western ideas into Japan. Nitobe's most famous work was *Bushido, The Soul of Japan*, published in 1899. He became a professor, first at his Sapporo alma mater, then at Tokyo University. In



The 1,000 yen note of 1984 [Pick 97]



The 5,000 yen note of 1984 [Pick 98]

1918 he attended the Versailles Peace Conference and remained in Geneva as the Under-Secretary-General of the League of Nations. He was on his way home from a conference in Banff, Alberta, when he took sick in Victoria and died there.

The back of the note features a vignette of Mount Fuji, the quintessential symbol of Japan.

The 10,000 yen note features a portrait of Fukuzawa Yukichi, who was a prominent educator, writer and propagator of Western knowledge. He was born in Osaka in 1835 to a low-ranking samurai family. To escape the restrictions of feudal life he moved to Nagasaki to study Western gunnery. He started studying the Dutch language in

1855 and every Western science for which he could find a textbook. When he moved to Edo (now Tokyo) to start a school for Dutch he discovered that the traders there spoke English, so he set out to study English. In 1860 he joined the first Japanese mission to America and two years later he was in the first Japanese mission to Europe. He started writing on Western customs and institutions and became the Japanese authority on things Western.

After the Meiji Revolution of 1868 he became the founder of Keio University. Fukuzawa died in 1901.

The back of the note features two vignettes of pheasants.

This commemorative note of a denomination not previously used

celebrated the Millennium Year of 2000. It is unlike any other current note because it does not feature a person on the face but rather the Shurei-Mon, the gate to the Shuri Castle in Naha, Okinawa. The selection of the Shurei-Mon was to commemorate the G8 Summit Meeting held in Naha in July 2004, the month that the note was issued. The back of the note features images relating to the great classic novel of Japan, the *Genji Monogatari*, the Tale of Genji: courtiers from the period, a woman hiding a screen and a section of text. The story was written in the 11th century by Murasaki Shikibu. Not much is known about her, except that her real name was To no Shikibu. She came from a cadet line of the



The 2,000 yen note of 2000 [face shown at left, back at right]

powerful Fujiwara family and married a fourth cousin, Fujiwara Nobutaka. She was widowed in 1001 and later served as a lady-in-waiting to the Empress Akiko, herself from the Fujiwara family. It was during her widowhood that she started writing the Tale of Genji.

The Shurei-Mon was built in the first half of the 16th Century, but was destroyed during WWII. It was rebuilt in 1958.

The first annual meeting of the heads of state of the major world democracies was held in 1975, with France, the U.S., Britain, Germany, Japan and Italy attending. The addition of Canada brought the membership to seven. This Group of Seven nations was called the G7, and in 1998 Russia gained full participation, with the resultant name change to the G8.

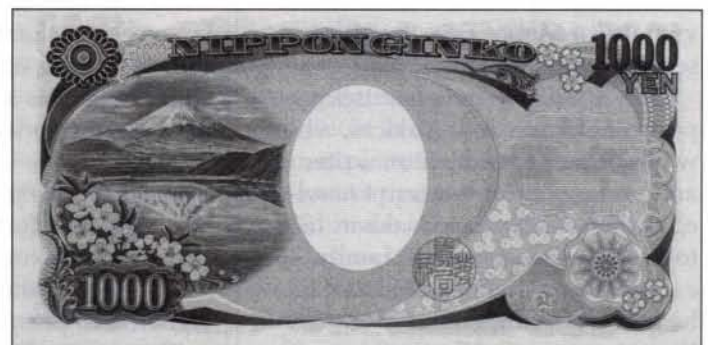
The 1,000 yen note of 2004 features Noguchi Hideyo, a bacteriologist who was born in 1876 and died in 1928. He is the only person currently featured on the notes of

the Bank of Japan who is not a writer. He first studied medicine and after passing his medical examinations began his bacteriological studies at the Epidemiological Research Institute. In 1900 he went to the United States where he worked as a research assistant at various institutes before receiving an appointment at the Rockefeller Institute for Medical Research in 1904. Here he succeeded in cultivating the causative agent of syphilis. In 1918 Noguchi moved to Central and South America to do research on yellow fever. In 1927 he went to Africa to confirm his findings but there contracted yellow fever and died. Noguchi also did work on Oroya fever, poliomyelitis and trachoma.

The back of the note has a small vignette of Mount Fuji

While Japan is a very male oriented society it has a history of remarkable female writers. Higuchi Ichiyo was the pen name used by Higuchi Natsu, born in Tokyo in

1872. She is perhaps the most prominent female writer of the Meiji period (1868 to 1912). Her formal education ended after four years because her mother opposed further education on the grounds that too much learning was not good for a woman. When she was 14 years of age she entered a poetry academy and developed her talents. She suffered a series of tragedies in the latter half of the 1880's; her elder brother died in 1887, a business failure and her father's death in 1889 left the family impoverished. Then the Shibuya family broke off the engagement between her and their son, Saburo, childhood sweethearts, because of her family's poverty. She started writing fiction following this loss. Her stories primarily treated the all-too-often unhappy lives of young women of her day. Her output was considerable for her short career, for she died of tuberculosis in 1896. Overwork and economic hardship were said to be contributing factors to her illness.



The 1,000 yen note of 2004



The 5,000 yen note of 2004

The back of the note has a field of Irises.

Fukuzawa Yukichi was featured on the 1984 10,000 note and his image is provided on the 2004 note using the same vignette and watermark. The most obvious differences are that the frame around the watermark is smaller and oval shaped, and a hologram has been added. The serial number is set lower, below the vignette, where it stands out more clearly. See the 1984 issue for his biographical details.

The back of the note features a stylized standing rooster.

Sources

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A Story of Currency in Japan,
sumitomo.gr.jp/English/discoveries/
special

Kyushu Okinawa G8 Summit in Japan,
www.hikyaku.com/sumitg

Shuri Castle – the ancient capital of Okinawa kingdom, www.hikyaku.com/summit/shurig

What is the G8?, G8 Information Centre,
7.utoronto.ca/

The Bank of Japan, boj.or.jp/en

The Security Features of the New Bank of Japan Notes, boj.or.jp/en/money/04/bnnew3.



The 10,000 yen note of 2004

The I.B.N.S. is pleased to announce that we have secured the domain name "theIBNS.org." Our internet address is now <http://www.theIBNS.org>

Book Reviews

Another Cataloguing Masterpiece!

reviewed by Alan Cole, I.B.N.S. #2256

Welcome to the third (2005) *Catalogue of Polish Currency from 1794*, by the well-known researcher Czeslaw Milczak. This 550-page hardback volume is an absolute triumph, a collector's piece in itself!

Much of the I.B.N.S. and paper currency world flourishes in English, being preoccupied with the dominant sciences of Britain, Commonwealth, American and West European cash systems. So important are they, that advances in other research areas may be obscured from numismatic view. Yet I do not know of any national bank note catalogue as thorough, precise and attractive as this limited edition (800) in Polish text.

From 1794 to 2004, Milczak lists and illustrates in color two centuries of Polish notes: 326 in all, plus the many issued varieties of each. Every conceivable detail is explained: from designer, engraver, and printer;

from prefix, serial or signature variety; from watermark, overprint or cancellation to trial, error or forgery. No catalogue could be more informative, fascinating or accessible.

Full historical background is offered to every note. The glossy pages feel good in the hand as a resource and form a stunning edition on the shelf of the advanced collector's library. With his intimate knowledge of the field, Czeslaw Milczak sets a cataloguing standard for all bank note specialists, reflecting a deep love of Polish history and close acquaintance with printing, banking and treasury procedure.

I am proud to own and learn from this outstanding work and never expect to encounter a better one. Serious I.B.N.S. collectors and dealers will be wise to acquire a copy and remain at the cutting edge of paper currency knowledge.

P.S.. The publication is sponsored by Warsaw Numismatic Centre, from which it can be obtained for 150 PZl (approximately 49\$ US). Overseas postage will probably amount to 60 PZl (around 19\$ US). There is also a sales list of 2005 to the catalogue offered for 15 PZl (4.90\$ US).

Czeslaw Milczak, Katalog polskich pieniedzy papierowych od 1794, "Semafic/WCN" Warszawa 2005, pp 546 / hardback / glossy paper / fully color-illustrated.

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Ukrainian Paper Money 1917-2005 Catalogue by Dmitri Kharitonov.

reviewed by Steve Feller, I.B.N.S. #4195

Published by the author, Kiev, 2005. 112pp softbound. ISBN 966-8679-03-2. -19. Bilingual in Ukrainian and English. Illustrated in color.

The paper money of Ukraine dates from only 1917, and it was not long before political events suppressed those emissions. During the German occupation of World War II, Ukraine's name again appeared on notes, which again passed from the scene quickly. Not until 1992 (notes dated 1991), continuing to the present, has a Ukrainian national currency again emerged.

Dmitri Kharitonov, an established dealer and reasearcher in eastern European notes, has cataloged all of the Ukrainian emissions of these three periods, together with some notes that were designed but never issued. Virtually all types are illustrated in color (a few proofs are in black and white). Included are some color trial sets of modern issues.

Many minor varieties are listed

for the first time (paper, series indicators, consistent errors, signatures), all with values in euros for three grades. Several spectacular rarities are also illustrated.

There is not much information about Ukrainian monetary history, and some of the translation to English is obscure, but on balance the book will be very useful to a collector of these issues.

Michael Schone's Two Latest Gems

reviewed by Steve Feller, I.B.N.S. #4195

International Bank Note Society member Michael Schone, well known expert on German bank notes, has produced two beautiful and informing catalogues. The two catalogues are: *Das Papiergeld in Der Freien Stadt Danzig 1920 bis 1939* and *Die Varianten Der Deutschen Reichsbanknoten 1924 bis 1948*. The books reveal much new specialized information. I strongly recommend

both for all bank note collectors. Ordering information and prices may be obtained by contacting the author at Michael@schone-pirna.de.

Sample pages from each catalog are reproduced here to show the amazing detail and evident quality of these books. The books are in German but may still be used by non-German speakers quite easily

because of the profuse illustrations that accompany the text. The cataloguing is quite logical.

I have known Michael for many years and he is a scholar of the first rank in both the numismatic field as well as the philatelic one. Here you will find true scholarship in the field of German numismatics. Well done Michael.



Notabilities Portrayed on Bank Notes — Part IV

by Henry B. Heath, I.B.N.S. #3123

PHILANTHROPISTS

As a boy I well remember my hard-pressed farmer father telling me, "To give not to get is the glory of life." This simple aphorism spoken at the height of the depression of the 1930s was probably his excuse for the lack of money to buy me a birthday present. I can well imagine but cannot recall my reaction but I have never forgotten his words. No such reminders are required by those who are recognized as philanthropists as this could well be their motto. Such people usually, but not necessarily, have more than adequate funds which they willingly dispense in charitable donations aimed at those in the greatest need of immediate help or else they support charitable projects designed to bring long term benefit to the needy. Of course most of us give as much as we can afford in small sums of money to charities throughout the year but here we are reviewing a few extraordinary persons whose very lives revolved round their consideration for others in less fortunate circumstances than themselves.

Four such philanthropists have been honored by having their portraits used on bank notes. They include Baroness Angela Burdett-Coutts (Sarawak), Caroline Chisholm (Australia), David Dale (Scotland) and Sir Moses Montefiore (Israel). This article will consider the extent of their generosity either in money or time and the effect their lives had on their fellow countrymen. Of course there are very many more philanthropists who have not been so honored but whose lives are still highly respected among their fellow compatriots for in giving one often receives.

THE RICH HEIRESS TO COUTTS BANK

Baroness Angela Georgina BURDETT-COUTTS (1814-1906) was born in London, the youngest of six children. Her father was the politician Sir Francis Burdett (1770-1844) and she was the granddaughter of Thomas Coutts (1735-1822) of Scottish banking fame. As such, through her grandmother, Henrietta Mellon the second wife of Thomas Coutts, she was the heiress of Coutts Bank and in 1837, when she was only twenty three, she inherited her grandfather's vast fortune (1837). After careful thought and consultation with eminent and influential friends, including Charles Dickens (who later dedicated his novel *Martin Chuzzlewit* (1843) to her), she decided that the best use for this money was to become personally and deeply involved in charitable works for the relief of the poor and the less fortunate in society, to aid children and support animal welfare. She also financed several major projects both in Great Britain and overseas to give long-term benefits and employment opportunities. She first changed her name to Angela Burdett-Coutts so joining the names of her father and grandfather. In 1871 in recognition of her charitable works she was honored by Queen Victoria by elevation to the peerage as Baroness Burdett-Coutts of Highgate and Brookfield in her own right. She was also the first woman to be given the Freedom of the City of London in 1872.

For much of her life she remained single but in 1881, when she was in her sixties, she married William Ashmead Barlett, a 27 year old American who was a Member of Parliament and was acting as her

secretary. After the wedding he unusually took the name Mr. Burdett-Coutts. The baroness had a very happy married life and died of acute bronchitis in December 1906 at the age of 94. She was buried in Westminster Abbey in the presence of a very large congregation.

Throughout her very active life, Baroness Burdett-Coutts was a superb administrator who was quite capable of ensuring that the monies allocated to various charitable causes was effectively used. She was a committed Christian and one of her first acts was to build a home for former prostitutes in the East End of London where she also pioneered an affordable housing scheme in a derelict area in that part of the city. Her charitable activities were very diverse particularly among the poor communities in Spitalfields, London. She gave money to train the unemployed to follow certain trades; she set up a residential sewing school for women; she established soup kitchens; she founded the Shoe-black Brigade; she was involved in the formation of the NSPCC and RSPCA; she gave money to the churches and built a school in Westminster and even fed whole districts in Ireland and founded an organization to aid the Australian aborigines. The list is almost endless and it is said that during her life she dispersed more than three million pounds (a huge sum in those days) in helping others.

Portrait: Sarawak, Government of Sarawak, 1 to 50 dollars (P2-6 issue 1880-94; 1 to 50 dollars (P9-13) issue 1918-21. The figure of the baroness is standing top centre.

For those who are interested in further details log on to: <http://www.historyswomen.com/AngelinaBurdettCoutts.html>

This site has a fine full length

portrait of Baroness Burdett-Coutts and gives numerous link sites.

FAMOUS AUSTRALIAN WOMEN'S RIGHTS PIONEER AND PHILANTHROPIST

Philanthropy is not only about incredible generosity in making gifts of money to charity. Another definition for this word in the dictionary is, "a love of mankind" and this is very evident in the life of British-born Caroline Chisholm, who became Australia's most outstanding women who both earned and deserved the sobriquet "the emigrant's friend" for her work with poor immigrants when they landed in that country. Such was her popularity and fame that her portrait appeared on the back of the Commonwealth of Australia 5 dollar notes for almost a quarter of a century. Not only was she a passionate supporter of women's rights but, even though she did not have much money, her every thought was of helping others less fortunate than herself whatever the cost – a true philanthropist. Her biography makes fascinating reading.

Caroline CHISHOLM (née JONES) (1808-1877) was born near Northampton, England the daughter of a farmer, William Jones who himself was a philanthropist. Her family upbringing gave her an early

interest in caring for others as her parent's home had an ever open door to rich and poor alike. In 1830 she married Archibald Chisholm, a British army officer serving in the East India Company in Madras, India. While there she opened a school for the daughters of British soldiers. Because of ill health Captain Chisholm decided to leave India and move to Australia. In 1838 Caroline and her husband settled in Windsor, near Sydney, which at that time was still a convict town. Being a very sensitive lady what she saw and experienced there among the mass of unemployed and friendless immigrants appalled her and she made up her mind to do something about it.

Having made a free passage from Europe in squalid, overcrowded ships the hope of immigrants for a better life was shattered as there was neither work nor accommodation for them. The local government did not provide any assistance so that people were forced to sleep in the streets and prostitution was rife. Caroline Chisholm decided that the best way to help these unfortunates was by first building a home for the unemployed women and setting them to work. By travelling in the countryside around Sydney she managed to find the work and then approached the governor of New South Wales, George Gipps, for help with accom-

modation. In spite of original opposition she managed to persuade him to let her use a dilapidated, rat-

ridden immigration barracks block for use as a home fit for women and children. Conversion of this building into living quarters proved particularly hard but eventually the project proved a great success. Within two years about a thousand women had been housed and found jobs. During the 1840s she assisted some 11,000 women and children by her dedicated efforts although shortage of money was a constant problem. All of this Caroline achieved while lovingly bringing up her own family. She provided further assistance to newly landed and homeless migrants by setting up a counselling service in Sydney. Her unstinting aid was eventually appreciated and Caroline Chisholm became trusted by the local colonists who then responded with more compassion, understanding and practical help. Throughout all this time Caroline never expected money for her work and any money that was given to her went straight into her charitable efforts.

In 1846 Caroline and her family returned to England and quickly established an agency to provide would be emigrants with information about the conditions and expectations of life in Australia. She stayed in England for eight years during which time she raised funds for the migration of families to Australia through a Family Colonization Loan Society and induced the government to provide a free passage to the wives and children of convicts already serving time in Australia. In 1954 Caroline and Archibald Chisholm returned to Australia.

Back in Australia, Caroline threw Australia 5 dollars, P39 (1967-72). Back showing portrait of Caroline Chisholm. In background a vignette of buildings, over a banner carrying "Family Colonization Loan Society," a ship with sails furled and the heads of numerous young females. At upper right a rigged sailing ship on the ocean.



herself into her work and toured the goldfields, giving lectures and inspecting the living conditions there among the poorly paid miners. As a result of her findings she set up the first work contracts in Australia and with her husband founded a school for girls in Sydney.

In failing health, Caroline, without her husband and eldest son, returned to England in 1866 where she was given a government pension. She died in 1877, financially poor but rich in public esteem and sure in the knowledge that her work in helping less fortunate individuals in a strange land had helped to establish her as one of Australia's greatest and most caring of women.

Portrait: Australia, Commonwealth of Australia, 5 dollars (P39) 1967-72 issue and (P44) 1973, 1984 issue. On back, head of Caroline Chisholm wearing a lace head cover and dress with a white collar. The surround comprises a tall ship, numerous heads of young ladies and houses over a banner carrying "Family Colonization Loan Society" which was originated by Mrs. Chisholm.

For those who would like further information about Caroline Chisholm's work log onto the following website: <http://www.the-times.co.uk> and check out her obituary notice of March 28, 1877.

AN INDUSTRIALIST'S PHILANTHROPY IN SCOTLAND

Very often the money made from a burgeoning industrial enterprises in

the 18th century was spent in building grand houses and developing fine country estates rather than on charitable works; in other words charity began at home. Of course there are exceptions and one such was David Dale, an eminent and very religious philanthropist from Scotland. As a banker, merchant, capital venturer, successful industrialist and a dedicated churchman he was deeply concerned for the welfare of the poor and needy and employed hundreds of pauper children in his mills giving them a good basic schooling and accommodation. However his action had its critics but one has to remember that the attitudes to child labor in the 18th century were vastly different from those of today.

David DALE (1739-1806) was born the eldest son of a grocer and general dealer in Stewarton, Ayrshire, Scotland. He received a good education and became an apprentice to a weaver in Paisley. After a short period as an itinerant agent in homespun yarns and a weaver in Hamilton and then in Cambuslang, he became a clerk to a silk-mercant in Glasgow before setting up his own business in 1703 trading in imported Continental yarns. This proved to be highly profitable and was the basis of his later fortune. Having married Ann Caroline Campbell, the daughter of an Edinburgh director of the Royal Bank of Scotland, in 1777, David Dale became the agent for the Bank of Scotland in Glasgow from 1783. His friendship with Richard Arkwright

(1732-92), the English inventor and manufacturer who had introduced his patented cotton-spinning machinery in England, led to David Dale jointly with Arkwright building their own mill on the banks of the River Clyde at New Lanark where there was adequate water power to run the machinery using Arkwright's patent. When the patent was challenged and invalidated in a UK court the necessity for the company to pay any patent rights lapsed, the partnership was dissolved leaving Dale the sole owner. Dale's mill was a great success and employed a large number of operatives and made him a very rich man. Further mills in which David Dale was a partner were built at Blantyre, Sutherland and Oban, the locations being dictated by the availability of water power. These mills called for a huge labor force and Dale was forced to employ hundreds of pauper children brought in from the workhouses in Edinburgh and Glasgow all of whom were housed in New Lanark.

Unfortunately the first mill at New Lanark burned down but was immediately rebuilt. Dale had the foresight to build good housing and his employees were well paid and looked after. In many ways David Dale was ahead of his time as he provided out of his own pocket education and care for his large workforce of some 1300 employees.

The very profitable trading businesses in Glasgow continued and Dale's association with the Royal Bank of Scotland was confirmed by



Royal Bank of Scotland 1 pound, (P327 (1966-67). Bust of David Dale with castellated wall and windmill in background. On the back, a vignette of two views of the Royal Bank of Scotland head office building.

his appointment as sole agent in that city. By this time Dale was in a very strong financial position yet he still maintained a close control of all their activities. He generously supported and gave his time to numerous charitable schemes and was made a magistrate in 1791 in the city of Glasgow, was a director of its poorhouse and of the Glasgow Royal Infirmary until his retirement. As an elder in the Congregational church and a very committed Christian he would preach on Sundays as required. However he broke away from the traditional church and set up a new community called the "Old Scotch Independents" in which he acted as a preacher for some 37 years.

When in 1799 Dale's daughter, Caroline, married a Welshman, Robert Owen, who at that time was manager of a cotton spinning mill at Chorlton, he decided to sell out the textile mills to him and retire to his country house. Although he retained a regular interest in his bank David Dale gradually withdrew from business and in failing health died there in 1806. In retrospect his benevolence is seen to reflect his deep religious concern for those less favored than him. Because of his unassuming and retiring manner he tried to hide himself from the public but in this he was not particularly successful and in his later years he was often consulted about matters of public welfare. Usually, however, his charitable acts were carried out in

secret so that the recipients never knew the name of their benefactor.

Portrait: Scotland, Royal Bank of Scotland, 1 and 5 pounds, (P327 and 328) issued 1966-67. Bust of David Dale in profile facing right, with a short curly wig and long sideburns, wearing a high collared jacket. On back, a vignette of two views of the Royal Bank of Scotland head office building. The head of Dale also appears as the watermark on these notes and on the following 1969 issue.

For those who would like more specific details of David Dale's involved business partnerships and his religious views should log onto the following web site: http://www.electricscotland.com/history/other/dale_david.html

PROFITS OF A LONDON STOCK BROKER

The fourth of the philanthropists to be considered here is Sir Moses Haim Montefiore who, together with his brother and business partner Abraham, made a vast fortune as brokers on the London Stock Exchange. Being a Jew he had to contend with the prejudices of his day but the partnership had an excellent reputation and Moses Montefiore was able to retire at the age of 40 leaving him free to travel and fight the cause of European Jewry.

Sir Moses Haim MONTEFIORE (1784-1885) although born in Leghorn, Italy into a Jewish Anglo-Italian family was educated in London. He learned to speak He-

brew from an early age and was initially apprenticed to a firm of grocers and tea merchants prior to becoming a stock broker, one of only a few Jews registered on the London Stock Exchange. After a difficult start he decided to go into partnership with his brother Abraham. In 1824 Moses Montefiore married Judith Cohen who was related to the Rothchild family of stock brokers and financiers. The partnership flourished and Montefiore made a large fortune which enabled him to retire in 1824. After some opposition he was made Sheriff of London (1837-38) being only the second Jew to be so honored. He was knighted in 1837 and created a baronet by Queen Victoria in 1846 for his philanthropic and humanitarian achievements for Jewish communities overseas.

In retirement Moses Montefiore devoted both his time and considerable financial resources to charitable affairs. He became directly concerned in regularizing the legal status of Jews in England and then travelled extensively in support of oppressed Jewish communities throughout Europe. He made seven trips to Palestine and the Middle East using his considerable influence to obtain from the Viceroy of Egypt, Muhammad Ali the release of Jews in Damascus and from the Sultan of Turkey, Abd al-Aziz the formal recognition of equal rights for Jews as citizens. In 1846 he visited Russia for a meeting with Tsar Nicholas I in order to plead for a more humane



Israel 10 lirot, P39 (1973/5733). Bust of Sir Moses Montefiore.
On back, a vignette of the Jaffa Gate in Jerusalem.

treatment of Jews and specifically to overturn a decree of 1844 which barred Jews from the German and Austrian border regions. Moses Montefiore was a champion in the fight against anti-Semitism and he visited both Morocco (1864) and Romania (1867) to make protests about the oppression of the Jewish populations there. He was a profoundly religious man and an Orthodox Jew. He even established his own synagogue and in 1865 he built and financed a centre for Jewish theological research on his estate at East Cliff Lodge, Ramsgate where he lived until his death in 1885.

He encouraged the cultural ideals of the return of Jews to Palestine, a movement later known as Zionism, which only really developed after his death. He did however help the early Jewish settlers in Palestine by encouraging them to become self sufficient through local industry and farming projects. He contributed considerable funds to found a hospital and a girl's school in Jerusalem (1855).

Portrait: Israel, Bank of Israel, 10 lirot (P39) issued 1973-75(5733-35); 1 Sheqel (P43) issued 1978-84(5738-44). Fine portrait of Moses Montefiore facing quarter left, bearded with long hair, wearing a soft head cover and a heavy coat, a castellated wall and windmill in background. On back, a vignette of the Jaffa Gate in Jerusalem.

For those who are interested further information can be found in the following website: <http://www.jewishvirtuallibrary.org/jsource/biography/montefiore.html>

Acknowledgements.

The author gratefully acknowledges the following sources of biographical data.

Microsoft Encarta Encyclopedia Plus 2004, Microsoft Corporation, USA.

Britannia Ultimate Reference Suite 2004 DVD. Encyclopaedia Britannica (UK) Ltd. London.

Book Review

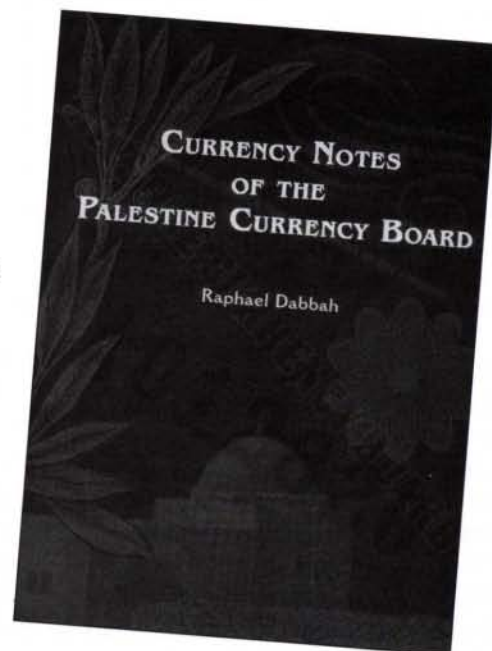
Currency Notes of the Palestine Currency Board

Reviewed by Peter Symes, I.B.N.S. #4245

Interest in the notes issued by the Palestine Currency Board has been strong for many years. Numerous articles have been written on the currency and much of the known data on the notes was published by Howard Berlin in his *The Coins and Banknotes of Palestine under the British Mandate, 1927-1947*, published in 2001. So, with the publication of *Currency Notes of the Palestine Currency Board* by Raphael Dabbah, what can be found that has not already been discussed and dissected in the previous publications? The answer, quite simply, is that the new publication includes fresh information from original research.

The first observation to make of Raphael Dabbah's work is that the volume is large, extremely well presented, and heavy! Knowing that the *Standard Catalog of World Paper Money* lists only six type notes issued by the Palestine Currency Board, it is initially a puzzle as to how a book can be written on the Board and its note issues that contains over 420 pages. The primary reason for the number of pages is that many notes are displayed at their full size and that notes of each date variety and notes with each serial number prefix are all reproduced in reduced format. In addition, trial printings, proofs, and counterfeits find their way into the history of the notes.

The coffee-table style of the book, with full color reproductions of the notes, makes it very attractive and easy to read. However, underlying the superb presentation is a scholarly and well-researched account of the notes issued by the Currency Board. Drawing on existing knowledge and



currency notes held in various collections, Raphael Dabbah has complemented this body of knowledge with original research into numerous archives held in Israel and Great Britain. The result is a definitive work on the issues of the Palestine Currency Board.

Chapters in the book cover: the background of currency in Palestine prior to the formation of the Currency Board; proposals for the introduction of currency to Palestine; the introduction of the new currency; the description of the notes; descriptions of specimen notes and presentation notes; counterfeit notes; new designs and color trials; unissued emergency notes; anecdotes relating to the currency notes; and the dismantling of the Currency Board. Details within the book include numbers of notes issued, descriptions of the images on the notes, short biographies of the signatories,

Venezuela — The First 1000 Bolivars Notes

by Richard Rosenman, I.B.N.S. #2244

images of original artwork, and the history behind the notes.

Drawing extensively from archival sources, the story of the Palestine Currency Board and its note issues is woven amongst the abundant illustrations and data spread throughout the book. Most collectors will never put together a collection of notes issued by the Palestine Currency Board and most of us will rarely come across more than one or two of these notes. However, captured within this book is everything that you will want to know about the currency notes (except their market value). In addition to the comprehensive coverage of the notes, this work stands as a valuable history to the machinations of a currency board, an instrument used widely by the British to issue currency throughout many of its colonial and mandated possessions.

For those who are interested in obtaining a copy of the book, details can be obtained from the author, Raphael Dabbah, at the following address:

18 Hel ha Himush St.
Neve-Hof
Rishon le Zio 75702
ISRAEL

Alternatively, Contact Raphael by phone on +972-52-2651540 or by accessing this web site:
www.palestinecurrency.com

The Venezuela of the early 1990's was a witness to a convergence of three seemingly disconnected events. These were: one, the issuance of a new (and the first by them) 1000 bolivares note by the Central Bank of Venezuela (Banco Central de Venezuela, BCV from now on) and dated August 08, 1991; two, the publication by the same bank of a volume, "Los Billetes del Banco Central de Venezuela" (The Banknotes of the Central Bank of Venezuela, LBBCV from now on), written by Sergio R. Sucre Castillo, (a truly impressive volume, a history of the bank and listings of its issues from its inception till March 1989, Editorial Arte, Caracas, 1990); and finally, the auction sales by Christie's of New York of the archives of the American Bank Note Company (ABNC).

When the 1000 Bs note entered into circulation, it was a tardy admission that the Venezuelan bolivar was a currency in the throes of inflation. The denominations of the BCV bank notes were traditionally limited to five values: bolivars 10, 20, 50, 100 and 500. This scheme was breached only twice before. The first time when the BCV issued a blue note of 5 bolivars to commemorate the 400th anniversary of the foundation of the city of Caracas, and which denomination after one year's appearance showed up again in 1973 in a different, red design and became a yearly staple, principally to share the circulation with a nickel 5 Bolivar coin.

The second occasion was the circulation in 1989 of two insignificant, in both size and value, paper notes of 1 and 2 bolivars, limited to

one issue, a consequence of a temporary scarcity of equivalent coins and certainly not to commemorate anything. These, for their minimal value and their look of coupons or tickets, were treated with disdain and quickly turned into worn out, dirty and smelly little pieces of paper, hardly worthy of attention.

For more than forty years, that is until the beginning of 1980's, the 500 bolivars bank note was the highest denomination in circulation, its acquisitive power being adequate for the general public. In the following ten years, until the early nine-ties, the acquisitive power gradually diminished to a fraction of what it was when the stable bolivar was 4.30 to a dollar. In 1992, should we have wanted a note with the same worth as a note of 500 bolivars of ten years before, we would have had to issue a note with a face value of 7500 bolivars. Considering the magnitude of the intervening loss of value, in the beginnings of 1990's there were enough practical reasons to issue a note with a face value much superior, so a decision to come out with a note of only 1000 bolivars was timid and clearly motivated by political reasons.

Once the course of inflation started it was plain to see that issues of higher denominations were imminent. The record of the intervening years until today is a demonstration of it. Today, in 2005, the highest face value of Venezuelan currency is a note of 50,000 bolivars, a far cry from the 1000 bolivars of twelve, or so, years before. A common strategy in a case such as this, familiar to countries with

endemic inflations, is to cut down the string of zeros and rename the currency. So, it is possible that when Venezuela's economic leaders take such a decision, we might see a "Nuevo Bolivar" or a "Duro Bolivar" in near future.

As for the 1000 Bs note issued in the early nineties, it will be a surprise to many to discover that it was not the first time that such a high denomination note circulated in the country. Before the creation of BCV, the private banks, the Third Banco de Caracas (El Tercer Banco de Caracas; no connection to the present Banco Caracas), issued 1000 bolivars notes in 1879, and Banco de Venezuela, as well, circulated 1000 Bs notes from 1890 until 1939, when the recently constituted BCV had assumed the exclusive right to issue paper money for Venezuela.

These two private banks and their issues are known to most collectors of Venezuelan paper money, so the surprising facts are not with regard to them but to the history of BCV. The issue of the 1000 Bs notes in 1992 is a third attempt by the BCV to put a note of this value into circulation, but the first to actually succeed. It is with reference to the previous two attempts that we turn to the book "Los Billetes del Banco Central de Venezuela" (LBBCV). In it Sergio Sucre describes in detail the deliberations of the Organizatory Commission of the then recently founded BCV, whose objective was the definition of the design and face values of the first bank notes to be issued by the bank, the choice of the manufacturer (printer) and the negotiations with ABNC, the company which was ultimately awarded the contract. Sucre bases his descriptions on the minutes of the Commission's meetings between 1939 and 1940, and quotes the recurring references to the originally contemplated but ultimately not approved note of 1000 bolivars.

Sergio Sucre describes with a passion of a historian his quest for

the absent images of the elusive bank note and his speculations on its probable colors and appearance.

His investigation of the archives of BCV, conducted during his work on the book, did not turn up any graphic representation of this note. His detective work, his assumptions and hypothetical conclusions, would remain no more than an unproven theory, if not for the documentation that appeared in the auction sales of the ABNC archives by Christies, in June 1991.

The auctions took place in four sessions over the course of two years. Buried within the riches of numismatic material that changed hands, most of which of interest limited to specialists and collectors, was a wealth of information of purely historical significance. What I found there were the answers to most of the questions asked by Sucre in his book, completing, amplifying and in some cases correcting some of his faulty conclusions, and most importantly, supplying the graphic evidence that he sought so diligently and without success.

We should at this point review some of the procedures in the production of a new note. When ABNC received an order, it would be assigned a number. During the process of design the company would produce paste-ups of the projects, models made of other bank notes (even of other banks), with modified values, substituted vignettes (often glued over existing images), creations composed of fragments and parts of other notes, some printed, some painted over. ABNC, with few exceptions, did not keep the sketches or models of the notes it presented to its bank-clients, especially those which were not accepted, or those which were modified in the course of arriving at the final design. These were photographed (in black and white, of course) and were archived in large-size volumes prepared for this exclusive purpose. On the pages of these volumes we can see pasted

photos of the models and we can read annotations: the order number, date of preparation, color of the predominant ink (the line of intaglio) and the background color. In some repeated models dates define the chronology of changes, some so minute that it takes a close scrutiny to discover the modified detail.

For clarity we will interspace quotes from Sergio Sucre's work, with answers to his questions provided by the ABNC documents. (My free translation from a Spanish text.)

LLBCV, page 86:

"ABNC is welcomed again, at the fifteenth meeting, of 17 October, 1939. The company is represented by Mr. Keith, special agent sent from New York, who brought with him the models and drawings proposed for the bank notes, and an estimate of the production cost, following the specifications provided by the Organizatory Commission. In that opportunity, following a joint proposal of Drs. Ramon E. Tello and Gustavo Herrera it is decided to eliminate from the first bank notes issue the notes of 1000 Bolivares because of their insignificant circulation, distributing their total value among the note types of 20, 50, 100 and 500 Bolivares."

"Since the decision to eliminate from the issue the denomination of 1000 Bolivares was taken after the presentation of models by ABNC, we assume the existence of a graphic model of this denomination, designed by ABNC."

We present on the next page two of the photographs of "the models or sketches proposed," brought by Mr. Keith, one of them the model of the 1000 bolivars note sought so stubbornly by Sergio Sucre. Of the five notes proposed to BCV, we show the two that hold a special interest for us: one of 50 bolivars and the one of 1000 bolivars. The other values, except for the colors, needed very minor modifications in design to be approved and issued.

Sergio Sucre continues; LBBCV,



Fig.1. Above- First project for 50 Bs; not accepted.
Face: green; Back: purple.
Order # 20422, September 29, 1939
Below- First issue



Fig.2. First project for 1000 Bs; not accepted.
Face colour not indicated; back: orange.
Order # 20422, September 29, 1939.

page 88:

"In the minutes of the twenty first meeting, a note is made of a resolution to replace the model of the 50 Bolivares note by a design that the printer had suggested for the value of 1000 Bolivares. This comment not only confirms our supposition about the existence of a sketch corresponding to a model for 1000 Bolivares but also opens the possibility of existence of an image of 50 Bolivares different from the note issued, at least with reference to its colors."

The model of the revised design for the 50 bolivars note which substituted the first model, in effect was based on the design of the 1000 bolivars note, faithful to the text of the minutes. The design of the issued 50 bolivars note followed the second model in all respects except for the color.

With reference to the colors, proposed and actually used, the book was mistaken.

LBBCV; page 88:

"In the minutes of the twenty fourth meeting, there is a note allusive to the 50 Bolivares note: Mr. Keith declared that the colour chosen for the face of the note would

be very dissonant with the back, suggesting a change to olive.

Similarly, in the minutes of the twenty seventh session, the subject is taken up again. The representative of the manufacturer observes that the colour of the mentioned note is inadequate, recommending making it similar to the one of Banco de Venezuela and not the two sides of the same orange tone.

It should be explained that the 50 bolivars note of Banco de Venezuela had the back in orange and the front predominantly dark green."

Reviewing the annotations in the ABNC archives relating to the proposed colors, we realize that Mr. Keith's comments must refer to the second model, i.e. a combination of brown and purple.

The second quote from Mr. Keith contains recommendations and on checking the first issued 50 bolivars note it is clear that in general BCV adopted his advice.

LLBCV; page 90:

"In summary: when Dr. Manuel R. Egana, in the Organizational Commission refers to using the same colors as those used by private banks for each denomina-

tion, he fundamentally means the colors of the backs of Banco de Venezuela notes: green for 20 Bs; orange for 50 Bs; brown for 100 Bs; blue for 500 Bs, and yellow for 1000 Bs. These were the specifications given to the manufacturer for the first estimate for printing the BCV notes.

There should have existed a graphic model, or "final art" for the 1000 Bs note, designed by ABNC, and probably because of the wish to follow the color scheme of Banco de Venezuela notes, it should have had the back in yellow, similar to the 500 bolivares note issued later by BCV, starting in 1947. We suppose that the Institute (BCV), after issuing 500 Bs notes in blue and then red, having retired them from circulation prematurely, utilized the yellow proposed originally for the 1000 Bs note, as their replacement."

In this case the ABNC documents corroborate the assumptions of Sergio Sucre. The color he calls yellow and which ABNC defined as orange was the color proposed for the back of the 1000 bolivars note; (the documents do not mention the color of the front), and it is the same

that BCV used in the 500 Bs note, issued after 1947 and which is remembered with nostalgia because it represented a lot of money in its time.

Sucre continues; LLBCV, page 91: "In addition to all said before, probably there had to exist a front model or sketch of 50 Bolívars note, with back side in orange. The 50 Bs note was the only one among those issued by BCV at that time that had a different basic back colour from the one used on front, a characteristic, we suppose, reserved originally for the 1000 Bs note."

Here the ABNC documents refute Sucre's argument. The first model of 50 Bs had a green front and purple back. As it can be noted, the color of the first model delivered to BCV differed from the colors ultimately adopted where, in general, prevailed the original concept to continue with the accustomed color scheme of Banco de Venezuela, which was the private bank with the greatest number of issues and the greatest capital in circulation among all the other private banks, in the years before the BCV.

To our surprise, ABNC documents reveal that on March 12, 1942, in tandem with the first model of a 10 bolívars note, another alternative model for 1000 Bs note was presented to BCV. The order number (21310) was used for both denominations and confirms that this proposal was the consequence of a legitimate request from BCV. Obviously, this second attempt didn't succeed. As far as we know, there are no references to it in the archives of BCV, otherwise Sergio Sucre would have mentioned it.

We illustrate below models of both notes presented on that occasion. The 10 bolívars note is very similar to the one issued but it differs in two major details: the vignettes of Bolívar and Sucre are interchanged, with the result that both personages now look towards the outside of the note (perhaps the reason for the

Fig.4. Second project for 1000 Bs; also not accepted.

Front and Back in olive.

Order # 21310, March 12, 1942.

This design is a direct copy of the first 100 Bs. note, issued two years before. (See Fig.5.)



change), and the value in the corners is shown as a number and not a word.

The second version of 1000 Bs note shows on both sides its kinship with the first issue of 100 Bs note. The designers in this case did not bother to create a new design; they simply imitated a 100 Bs note, issued two years before.

Finally, on page 90 of LLBCV, Sucre says this:

"Taking these suppositions as a basis and faced with the imminent, because so necessary, issue

of a 1000 Bs note, we think that the design of it should be oriented towards the models here described."

The note finally issued did not satisfy any of the suggestions expressed by him. Having seen the projects of the 1940's (which Sucre never did), we are glad that the new note did not follow any precedents. The contemporary graphic arts, the progress in printing technology, security advances and the aesthetic preferences of our age, necessarily offer possibilities not available then.



Fig.3. Above- First project for 10 Bs; not accepted.

Both sides purple.

Below- Final version accepted and issued after modifications:

Vignettes interchanged; corner values in words not numbers.

Order # 21310, March 12, 1942.

First issue.



Fig.5. This issued 100 Bs note was a model for the second project for 1000 Bs.



Fig.6. 1000Bs note, as finally issued.

They remove us from the uncertain steps taken by the then recently created BCV and the rather primi-

tive efforts of ABNC in 1939. A 1000 bolivars, as proposed in 1939 and

1942 would be anachronistic and its only justification would be to bring back the nostalgic memories of Venezuela of yesteryear.

Letters to the Editor — continued from page 4

Dear Editor,

My thanks for publishing in the I.B.N.S. Journal Vol. 44, No. 2, the enlightening article by Omar Yalcinkaya "The Meaning of World currencies" augmented by other knowledgeable personages.

The article is a treasure trove from a linguistic and numismatic perspective. Though I do not collect a vast majority of mentioned countries, I often give thought to the linguistic background of their currency units,

being a multi-linguist myself. Mr. Yalcinkaya's article rendered an exhaustive answer, and I have filed it for future reference.

Possibly Mr. Yalcinkaya or another knowledgeable person could render the linguistic background of the Hungarian pengo currency denomination which existed between the early 1920s until the currency reform in 1946, used on coinage and bank notes. After an astronomic inflation in 1945 and 1946 the pengo was replaced by

the current forint (1 forint = 100 filler).

Again, my thanks to you, Mr. Feller, as Editor of the I.B.N.S. Journal, for publishing for many years articles by other contributors the contents of which enhance my knowledge of numismatics, economics and geopolitics.

Sincerely,
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New York 1165-2026 U.S.A.

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Rachel Notes

A Souvenir from France

by Rachel Feller

In the last issue of the *Journal*, I wrote about a Confederate note that bore a handwritten poem. For me, there is something especially moving about a note with a handwritten message on it. Paper money is already important as a collectible because it is a primary witness to the past. In the case of the Confederate note, it is different from a book or a movie because it was actually at the war — it was held in the hands of the soldiers and citizens of the South. There is something extraordinarily powerful about holding the same note myself. This article is about another note with writing on it.

On a recent trip home to Iowa, I visited a favorite store — Brian Fanton's Hiawatha Coin Shoppe in Hiawatha, IA. Hidden in a small town, near the local Dairy Queen and a new bar called the Pour Sport, Brian's store has many local pieces, as well as some other treasures. My father and I were chatting with the gentleman working—not Brian—and

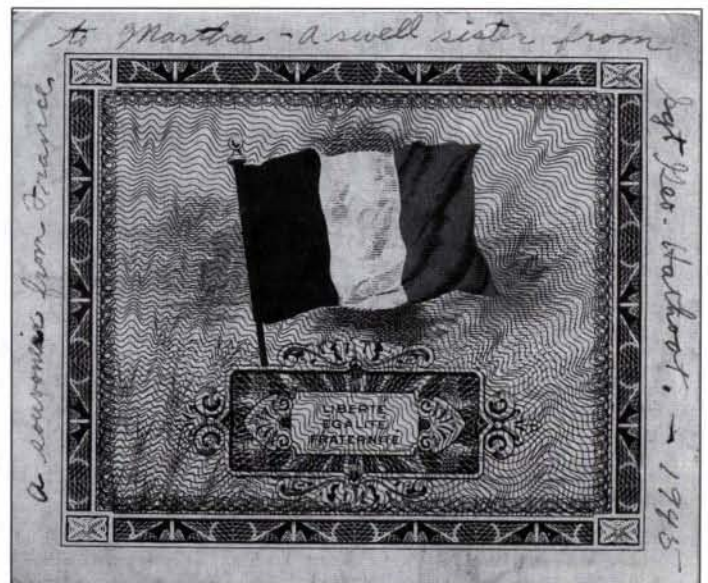
my father was sorting through a box of paper money. As per usual, I was standing over my father's shoulder. This is normal etiquette for us when visiting a table at a show or a shop... or a shoppe. I like to stay shy in the background, but occasionally I will notice something of interest to me.

My dad was flipping through several pieces of Allied Military Currency (AMC) from World War II, including the most common note: the Flag-back. The Flag-back notes are easily recognized because they have a French flag on the back. Beneath the flag is the French motto: *Liberté, Égalité, Fraternité*. This translates to: Freedom, Equality, Brotherhood.

Military currency came out of a need for controlled economy. During war, black markets pop up for people to find the luxuries they miss and the supplements they need. If American soldiers arrived with American dollars, they would be able to participate easily in the black

market, bringing valuable currency into the exchange. However, this was not what the government wanted. They were necessarily cautious with American dollars—this is why there was a special Hawaii issue of money, to avoid giving American dollars to an invading force. Therefore, the decision was made that soldiers would be issued a special military currency.

The Flag-back notes were issued as "Supplementary French Franc Currency." They were carried by the soldiers in the D-Day invasion. This, of course, adds to the excitement of owning a France-back. There is something very exciting about holding a witness to D-Day. As I have mentioned before, this is—for me—part of the thrill in collecting. Money is a primary source of information. Currency from the past exists as a bystander, a survivor from history. I can hold this note in my hands and know that it made its way



2 francs AMC 1944



Diving for Cover

Alexander Russo #17

Watercolor on paper

onto the beach at Normandy.

The notes were issued as a part of "Operation Tom Cat." General Eisenhower originally issued Supplementary French Franc Currency. The notes were printed by the Forbes Lithograph Corporation. After a short while, the Supplementary French Franc Currency was protested by General Charles De Gaulle, who felt that France was not consulted fully in the making of the money. Therefore, they came out with a new series: Provisional Franc Currencies. These were printed by the Forbes Lithograph Corporation as well, and were ordered by the Committee of National Liberation. These notes were called "committee" note or "France-back," because they have the word "France" on the back where the Supplementary notes had the flag.

All of the notes my dad was flipping through shared this history. However, one particular note attracted my attention. The note is a two franc note, which means it is green. Along the edges of the back, I could see handwriting. I bought the note for something like \$0.75. It isn't in particularly good condition, and it is quite common. However, seeing the handwriting intrigued me.

it is a testament that it isn't worth much in and of itself, but for me it has special value because it was treated as a souvenir and was sent affectionately.

At the same time, there is something spooky about this note. It was sent in 1945. Should I assume its sender survived the war? Could I possibly understand the horrors that this note saw? It may have passed through a great many hands, and it is frightening to wonder what their fates were.

I came across many interesting pieces of artwork and poetry about the D-Day invasion. Naturally, those who were part of the attack had a lot of emotion in their memories. I am including a poem I found because I feel like it isn't possible to think about the implications behind this note without realizing what it existed through. I am including a poem that I found which was written by a D-Day soldier. I found many poems written by people who weren't actually involved in the invasion, and while they may be written by skilled poets, I feel like this one hits the heart in a special way because it is obviously coming from a person who was there rather, simply trying to share the experience:

The note says:
"A souvenir
from France. To
Martha — A
swell sister from
Sgt. Geo.
Hathoat. —
1945" I am not
sure of the last
name, but I
assume that
"Geo." stands
for George. It
was neat to think
that someone
sent this note
home as a
souvenir. Again,

OMAHABEACH

by Peter Thomas
Pvt. 1st Infantry Division

When we went in the Beach had
been taken
The living fought on — the dead
forsaken
We were dropped into water up to
our shoulders
We waded in — a group of green
soldiers
Onto that thin strip of beach
So many had tried to reach
They were the ones who went in first
Among the machine gun fire and
shell burst
They went to watery graves
Sinking under the waves
The water was red
Red from the dead
Red from the dying
In agony crying
Those who made the land
Were not able to stand
They fell on the sand
Writhing in pain
Screaming for help in vain
Every advantage was on the hill
They murdered our men at will
The rain of death from the cliffs
never stopped
But we just kept coming in from the
sea
Wave after wave as far as you could
see
Sheer courage and determination
Not believing they were done
Dictated the victory that day
Others in the future will say
When they stand on that mighty
height
And look down on that thin strip of
beach
"I don't see how they ever did it"
They fought for every inch of it
Up the sides of that fortified wall
Over the tops of those cliffs so tall
I'll never forget that Beach
I'll never forget the men
In the ships

In the air and on the land
 And those who died on the sand
 And in the water
 They lie now beneath thousands of
 white crosses
 And stars of David
 Above the Beach
 Those wonderful soldiers who died
 so young
 They died so we
 Could be free

How can we ever forget what they
 did
 We honor them this day
 We salute them
 And we humbly beseech
 Dear God bless the men who died
 on Omaha Beach

My next thought was to ask who George Hathoat (or Hathoot?) was. I was unable to solve this mystery... yet... although I did learn two interesting things in my internet searching. First, I found out that the National D-Day Memorial is trying to compile a full list of all of the participants of D-Day. This is an ambitious project, and I hope that a lot of the survivors will also agree to give their stories to the organization.

The second interesting thing I learned was that there is a D-Day Museum, but that it is in New Orleans. The website reports that the museum survived the hurricane, and is committed to reopening. In thinking about the hurricane I keep realizing how much I will never see, having never made it to New Orleans. I am comforted to think that the D-Day Museum has survived. Again, I see value in survivors—in the witnesses who live to tell their stories. I hope that eventually I will also be able to learn more about this note and whose hands it passed through. Until then, I am enjoying it as a survivor from an historic invasion.

Book Review

New book about Bulgarian Paper Money

reviewed by Dr. D. Mihov, I.B.N.S. #2152

History of Bulgarian Paper Money by Kostadin Hristov is the first serious investigation of the bank-note currency in Bulgaria. This is a vast work, very well illustrated with a lot of photos and documents. This is a book of true merit as well as for specialists and for those who will read such kind of literature for the first time.

History of Bulgarian Paper Money has 400 pages and contents more than 350 colored professionally made photos that present the exact size and color of the face and the back of Bulgarian paper money. Some of the photos are the projects of Alfons Mouha, Tsvetana Kosturkova and the sample of 200 leva, 1929 of Thomas de La Rue & Coy.Ltd are published for the first time.

Instead of an introduction the author Kostadin N. Hristov explains what notafilia means. At the same time he offers a short interpreting vocabulary of the terms used in notafilia and numismatics, which is very useful.

The work of the history of paper money starts with a description of the currency in Bulgarian lands before the liberation from Turkish slavery. In the next chapter the currency from the liberation in 1878

Костадин Н. Христов

ИСТОРИЯ НА БЪЛГАРСКИТЕ КНИЖНИ ПАРИ



ciela

to the beginning of the emission activity of the founded main Bulgarian national bank is investigated. K. Hristov examines separately the state emblem of Bulgaria and the changes that he passed through. The author correctly evaluated the importance of this element, because the state emblem has its special place on most of Bulgarian bank notes.

K. Hristov examines in details the law and normative acts that give the right the National Bank of Bulgaria to emit coins and bank notes.

In this aspect the most important act in this field is that of the year of 1885. The author manages to present an actual picture of the legislation, connected with the emission practice of the





National Bank of Bulgaria in a detailed chronological description of the different emissions of paper money.

All emissions of bank notes, started with the first "golden," followed by "golden-silver," "Orlov" etc. are described in details in *History of Bulgarian Paper Money*.

In addition to the regular emissions of bank-notes cash bonds, state treasure bonds, periodic cash bonds and stamped state treasure bonds are presented in the book. The interesting story for 5000 leva of 1924, called Botevka is told.

The reader will learn interesting details about 10 leva bank notes "Rakovsky" and 20 leva "Anhiolo." Details about the bank notes of the so called "Turkish emission" of 50 and 100 leva are explained for the first time. An original contribution

of the author is the description of the main counterfeit bank notes and of those from the 1999 emission.

If you should outline the most valuable chapter this would be "Thracian paper money." By the way these are one of the rarest and coveted from the collectors Bulgarian bank notes. It is well known from the history how cruel and unfair for Bulgaria was the Treaty of Neuilly. With a lot of documents K. Hristov shows what the currency in Bulgarian lands occupied by the French and Senegal army was.

After the end of the Second World War in the French town Neuilly was taken in a decision that the Bulgarian lands of Thracian were to be annexed to Greece and the Bulgarian inhabitants to be exiled. The author



quite vivid describes these so sad for Bulgaria days through a lot of historical documents that for the first time are gathered and presented together in the context of the currency of the paper money.

The chapters for the so called "Serbian leva" and "Macedonian leva" are not less important. K. Hristov is again original in his investigations with a lot of suitable documents enclosed.

There is a detailed description of the unique bank note "Bulgarian pound" in the book. This is an exceptionally rare bank note, emitted by Great Britain aimed to be used in Bulgaria after 1943.

Other paper money is described in the book *History of Bulgarian Paper*





Money – post bonds, tax corn bonds, Bulgarian war money and political paper money.

Original bank-note photos as specimen copies, projects, bank notes printed in different than those in circulation, color and etc. are presented.

History of Bulgarian Paper Money is a value work with an original contribution. It is the most representative investigation of the paper money currency in Bulgaria. This

book has its cognitive and educational importance for the young people and should have its own place in every school and community cent34 library.

There is no doubt that *History of Bulgarian Paper Money* will be of use for the students of all economic higher schools.

History of Bulgarian Paper Money can present Bulgaria all over the world and with all these high quality color photos it is like an album — a perfect present for everybody in all occasions.

You can buy the book at: www.bg-papermoney.com

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**Minutes of the I.B.N.S. general membership meeting
18 June 2005 — Memphis**

The meeting was convened by President Robert Brooks at 1:10 p.m. Pres. Brooks introduced the I.B.N.S. officers present.

Treasurer Joseph Boling read the report of the annual literary awards, as submitted by awards committee chair Milt Blackburn. The following awards were announced:

Fred Philipson award — best article published in the I.B.N.S. Journal in 2004: Urs Graf — "The Paper Money of Switzerland in the 20th Century" (published in three parts)

first runner-up — Peter Symes, "The Libyan Currency Commission"

second runner-up — Jonathan Callaway and Dave Murphy — "The Early History and Note Issues of the Union Bank of Scotland"

honorable mentions (alphabetically)

Gene Hessler — "Joseph Lawrence Keen — British Engraver — 1919-2004"

Tony James — "Alien and Enemy in Australia"

Dr. Kerry Rodgers and Ron Wise — "The Amazing Turtle Ships of Admiral Yi Soon-shin"

Peter Symes — "The Bank Notes of Bahrain"

Mark D. Tomasko — "The Vignettes on the German Post-War Occupation Currency of 1948-1949"

Ward D. Smith Memorial award — David Spencer Smith — "The Swedish Mission in Kashgar: Enforced Bank Note Printers"

I.B.N.S. Book of the Year for 2004 — Eng. Magdy Hanafy (Dr. Ali Hehilba, trans) - The Egyptian Banknote — Encyclopedia and Catalogue of Egyptian Money.

Chief judge Joseph Boling announced the Amon Carter award for world paper money exhibits at the 2005 Memphis convention — Mark D. Tomasko — "American Banknote Picture Engraving Department, c.1910."

American Numismatic Association president Gary Lewis presented a President's Award to Steve Feller, editor, and Rachel Feller, long-time columnist, of the I.B.N.S. Journal. This award had been intended for presentation at the 2004 meeting, but Steve Feller had departed the show early to attend Rachel's college graduation the same weekend.

George Cuhaj of the KP Books division of F+W Publications gave a program describing his experience attending Banknote 2005 in Washington DC earlier in the year. Banknote 2005 was a professional meeting of security printers, paper and ink manufacturers, optical security device manufacturers, central bank officers, and anti-counterfeiting agencies. George talked about and showed samples of advanced technologies in printing, optical devices, and substrate and ink manufacturing.

The meeting adjourned about 2:00 p.m.

Minutes taken and transcribed by Joseph E. Boling, treasurer

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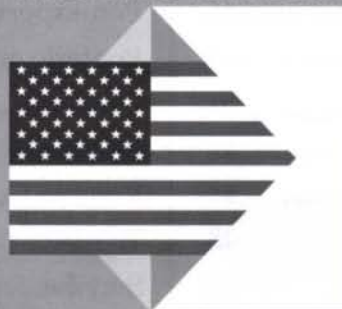


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